

ANNUAL REPORT

CARNEGIE CORPORATION OF NEW YORK

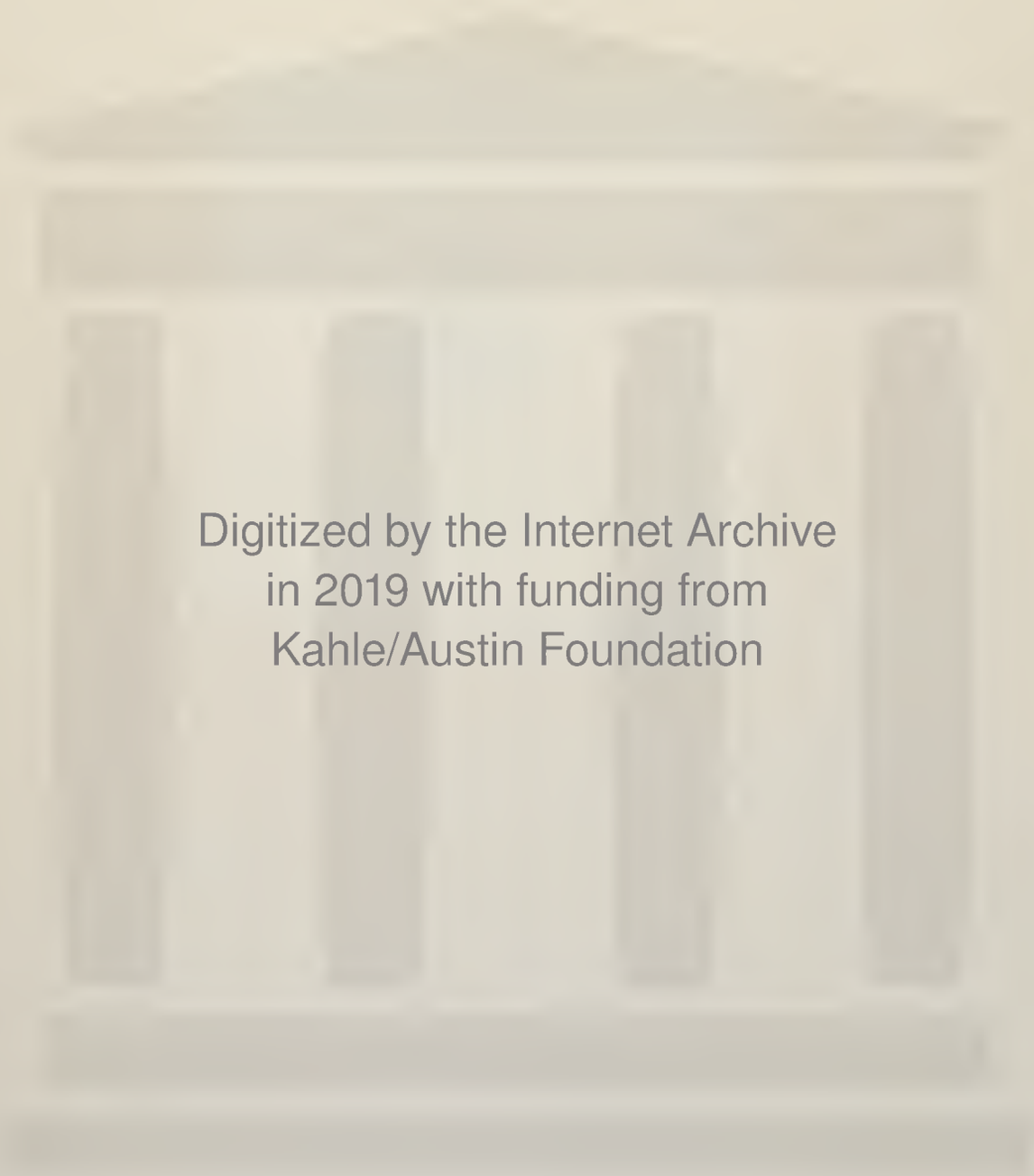
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The Corporation is primarily interested in education and in certain aspects of public and international affairs. Grants are made to colleges and universities, professional associations, and other educational organizations for specific programs.

ANNUAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30

1964

CARNEGIE CORPORATION
OF NEW YORK

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PRIVATE INITIATIVE FOR THE PUBLIC GOOD

FROM THE PRESIDENT'S OFFICE

Private Initiative for the Public Good

The tax deductibility of gifts to educational, religious, and charitable organizations has a long and honorable history. But recently some critics have questioned the practice, and their arguments have a superficial plausibility. The case is made in roughly the following terms.

Roger D., who is in the 70 per cent income tax bracket, makes a gift of $1,000 to Stanford University. If he had not made the gift at all, the government would have taken $700 of the $1,000 in taxes. So in effect only $300 of the gift is out of his own pocket. With respect to the other $700—so the argument goes—he is simply diverting to Stanford money that would otherwise have gone to the United States Treasury. Why, ask the critics, should the government of the United States allow Roger D. to divert to Stanford money that would have come to it?

The purport of the argument is clear: abolish the tax deductibility of such gifts. The critics have not yet advocated that step. They seem bent on whittling away at deductibility rather than abolishing it. But if their arguments are valid, abolition is the logical aim. Then the $700 that would have gone to Stanford will go to the Treasury and the government can decide what it wants to do with it. The whole procedure has a marvelous surface plausibility. But the consequences would be catastrophic for our private educational, charitable, and religious institutions and would alter profoundly the character of American life.

The first consequence would be that these institutions—universities, hospitals, research laboratories, and the like—which depend on private contributions either would waste away or would become appendages of government. Since many of them are performing essen-

tial services for the nation, the latter outcome would no doubt prevail. The vast network of private institutions devoted to education, health, and welfare would then depend wholly on the centralized decisions of the federal government.

For many countries such monolithic central support of all educational, scientific, and charitable activities would be regarded as normal. But for the United States it would mean the end of a great tradition. In the realm of good works this nation boasts a unique blending of private and governmental effort. There is almost no area of educational, scientific, charitable, or religious activity in which we have not built an effective network of private institutions. In all fields (with the exception of religion, of course) governmental and private institutions form a partnership of rare effectiveness in serving the public interest.

The deductibility of philanthropic gifts from taxable income reflects a deeply rooted public policy encouraging private concern for good works. That policy grows out of powerful impulses in the American character and has borne fruit in a way that astounds people of other nations. This year private gifts to educational, religious, and charitable activities will approximate $11 billion. More than 62 million individuals will have contributed to the total.

Back of this is a remarkable attitude on the part of the individual citizen. He is in the habit of accepting some measure of personal responsibility for improving the state of the world. He does not believe that government has the sole responsibility for identifying (or solving) public problems. It has been our public policy to encourage him in that view. Anyone who wants to alleviate the sufferings of his fellow man, dispel the clouds of ignorance, or build a better society is encouraged to try as long as his actions fall within the framework of legally and morally acceptable behavior.

Tax Exemption

Private initiative in good works has been threatened on another front in recent discussions of the tax exemption of philanthropic

foundations. Some of the attacks on tax exemption resemble the argument against tax deductibility cited earlier. It is said that the money that is tax exempt would have gone to the United States Treasury if the exemption had not existed. Therefore, the argument goes, it is public money. And since it is public money it ought to find its way into the federal government's pocketbook, i.e., the Treasury—or at least the spending of it should be subject to government control.

One interesting feature of the argument is that if it should be valid, it would hold equally for all tax-exempt educational, scientific, religious, and charitable organizations. Those who would apply it to foundations today could with entire consistency apply it to universities, hospitals, and churches tomorrow.

Foundations are part of a tradition of philanthropy that is as old as civilization itself. Its beginnings are lost in antiquity. Plato's Academy was an educational foundation. Pliny the Younger endowed a foundation to care for needy children. Special provisions governing property that was dedicated to religious, charitable, or educational uses were commonplace in the ancient world. Our own laws governing philanthropic activities go back to the Statute of Charitable Uses passed during the reign of Elizabeth I. Philanthropic foundations were not uncommon in the American colonies and from the beginning of our national life. Then a little more than fifty years ago the great benefactions of Andrew Carnegie and John D. Rockefeller brought to prominence a new conception of giving. They believed that the foundations should expend their funds in a creative search for new solutions to human problems. They sought not just to cure but to prevent, not just to ease human misery but to get at the causes of that misery. And in doing so, they initiated what many believe to have been the most exciting half century in the long history of philanthropy.

Historically, legally, and philosophically, foundations are part of a larger class of institutions that includes churches, universities, scientific laboratories, hospitals, orphanages, and social welfare organizations. Henry Allen Moe, former president of the Guggenheim Foundation, refers to all members of this class as "foundations." This is not

just a matter of arbitrary definition. It is impossible to establish a clear boundary line between what is popularly known as a "foundation" and other varieties of endowed institutions.

All of these varied institutions have traditionally received tax exemption. Since our beginnings as a nation both the federal government and state legislatures have acted to preserve and encourage private initiative in good works. We have always believed that this was worth doing, and tax exemption has been the chief instrument for accomplishing it. Such exemption is not a negative act and certainly not a piece of legislative negligence. It is a positive measure designed to insure that in scientific, educational, religious, and charitable activities there will be multiple sources of initiative and creative diversity. Modern thinking about the value of pluralism in preserving freedom has only served to strengthen our convictions on this point.

It is not necessary to argue, as some have, that nongovernmental institutions can perform certain educational and welfare functions in a manner superior to government. Governmental agencies have done a highly creditable job in many of the areas once covered by private institutions. But most responsible Americans believe that *both* governmental and private roles should be preserved. That is what pluralism implies. If the private institutions are squeezed out, a valuable ingredient in our pluralistic society will be forever lost. That these institutions are not a trivial factor on the national scene is reflected in the fact that in the fiscal year 1963–64, they spent more than $38 billion for health, education, and social welfare programs.

Pluralism also implies that a variety of views will be tolerated, even encouraged. This is worth bearing in mind, because on a number of occasions the tax exemption of foundations has been brought into question when critics differed with the content or conclusions of studies done under foundation grants. In upholding gifts for educational purposes, the courts have not sought to pass on the wisdom of particular educational projects. They have acted on the principle that the advancement and dissemination of knowledge is in itself in the public interest. Thus, a trust to promote a religious doctrine is "chari-

table" within the meaning of the law of trusts although the doctrine has few adherents. The Catholic Church enjoys tax exemption despite the fact that the majority of Americans are not Catholics. A trust to publish books or give lectures expounding the doctrine of the single tax may be tax exempt, even though the members of the court disagree with the doctrine. An experimental college may enjoy tax exemption even though most higher educational authorities are skeptical about the new methods it is using. One of the advantages of charitable trusts is that they permit the testing of ideas that have not been generally accepted. A university enjoys tax exemption without regard to the popularity of the ideas held by faculty members.

As a matter of fact the very hint that tax exemption should depend on the political popularity of ideas under examination is a fateful step down the totalitarian road. If it were accepted then political forces, operating through the legislature, would have the right to censor every sermon and every college lecture; and that would be the end of freedom of thought in this nation.

Criticism of Foundations

Recent criticism of the foundations, however, has not centered on their substantive activities. It has focused on two questions: 1. Have foundation assets become so large that something must be done to curb further growth? 2. Are the foundations abusing their tax exemption by engaging in improper financial and managerial practices?

The view that foundation assets have grown so vast as to require corrective action is not based on facts. In journalistic accounts of this subject one sees occasional reference to Henry VIII's seizure of the monastery lands. That such a comparison could be seriously used is a measure of the confusion that exists. At the time of Henry VIII's action, the total annual revenues of the monasteries was estimated to be somewhat greater, in a normal year, than the total revenues of the Crown. Today the income of foundations is in the neighborhood of *one half of one per cent* of federal revenues. Foundations hold between $15 and $17 billion in total assets at market value, a sum which is

about three-fourths of one per cent of the financial assets of all banks, savings and loan organizations, insurance companies, major corporations, and other wealth holders in this country.

As a matter of fact, foundation grants today account for only about 8 per cent of the total annual philanthropic giving from private sources. More than 85 per cent of the dollars given annually to philanthropic causes are in the form of individual gifts and bequests.

The growth of foundations is dwarfed by the growth of government expenditures for purposes which were once regarded as philanthropic. In 1913 the federal government spent about $5 million on education, and in that same year Carnegie Corporation spent $5.6 million on various philanthropic projects. In the fiscal year 1963–64 the federal government spent about *$2 billion* on education (a 400-fold increase) while Carnegie Corporation spent a little over $12 million. Endowed institutions of all sorts—universities, museums, churches, hospitals, as well as foundations—are losing ground steadily to government-supported institutions.

Accordingly, anyone who worries about balance and pluralism in our society should cease marveling that the Ford Foundation is as big as it is, and take note of how small it is compared to any number of vast governmental enterprises that receive little public criticism. We should be thankful that there are institutions in the private sector that are capable of holding their own as a vital force in our national life. In the same spirit, we should revise our scale of values in thinking of an institution such as Harvard University. The average citizen contemplating the Harvard endowment is awed by the wealth that it represents. But in terms of the tasks to be accomplished today, it is not as rich as it should be. In our populous and complex society there are many tasks that can be done only by institutions with access to large resources.

Closely related to the question of size is the question of whether funds that find their way into tax-exempt foundations are somehow lifted out of the stream of our economy and thereby rendered unproductive. It is an odd accusation. The capital funds of most foundations

are invested in a highly conventional way and thereby participate directly in the economy. The bulk of their income goes to educational, scientific, religious, and charitable organizations for current projects or general support, which means that the dollars rest briefly in the hands of the recipients and then are spent—and thereby pumped back into the mainstream of the economy.

The second question is much more serious. Are the foundations abusing their tax exemption by engaging in improper financial and managerial practices? The answer, briefly, is that a few foundations *are* abusing their tax exemption. Most are not.

Rascality is possible in any human enterprise, and philanthropy is no exception. It is clear that some individuals do not hesitate to use foundations as a means of carrying on improper activities (for example, serving the pecuniary interests of themselves or their relatives). Such foundations should be called to account. Congressman Wright Patman has rendered a public service in bringing examples of such impropriety to public attention.

But all foundations should not suffer for the misdeeds of a very few. We all condemn diploma mills, but we do not use their existence as a stick with which to beat our finest universities. We all condemn quack doctors, but we do not use their continued existence as an excuse to harass our leading medical specialists.

Most foundations would wish to impose on themselves a more exacting standard than just to stay technically within the law. They would wish to adhere to the highest standards dictated by ethical considerations and the public interest. But since there is no code of practices for foundations, it is not easy for trustees to know when they are doing the right thing.

What constitutes "good practice"? There are many kinds of foundations, and it is difficult to lay down principles that apply to all. Nevertheless, some things can be said.

First, a foundation should practice full disclosure. The larger it is the more energetically it should disseminate full information on its activities. If it has capital assets of more than $10 million, it should

publish a detailed annual report. It should publish the size of its capital fund, its investments, and its income. It should describe each grant, including the purpose of the gift, the amount given, and the identity of the recipient. It should record the names of officers and trustees, and it should give some account of the objectives that guide its operations.

Foundations with assets under $10 million need not be held to such arduous standards. But they should have their books audited annually by a qualified firm of certified public accountants and should furnish the audited figures (including the list of grants) to the Foundation Library Center, a national repository and clearinghouse for information on foundations. And of course they must supply the extensive information required by the Treasury.

The leading foundations have set high standards of public reporting. But some other foundations have *not* been cooperative in providing information to the Internal Revenue Service or to congressional investigators. A number of them are still scandalously negligent with respect to public reporting of their activities. Federal regulations now in force require fairly extensive information from foundations, but the Internal Revenue Service has not always enforced the requirements as vigorously as it might. Effective enforcement of provisions now on the books would do much to establish the principle of full disclosure.

Second, there should be clearly stated rules governing the handling of foundation funds, whether in grant-making or investment. Foundations should not engage in speculation. Foundation trustees and officers should not make either investments or grants that serve their own pecuniary interest or that of relatives or business associates. Such "self-dealing" is intolerable and should be prohibited.

Third, the foundation should produce a reasonable return on its total list of investments. And if it is to enjoy the tax exemption accorded educational, scientific, religious, or charitable activities, it should spend its income to finance such activities. Under normal circumstances, it should be expected to spend all of its income each year.

Finally, it will be necessary to work out with care the relationship

between foundations and business firms with which they are related. Some points are clear. A foundation should not own or control a business. If it finds itself—through bequest—owner of a business it should divest itself of control as rapidly as possible.

All of the principles that should govern the relationship between foundations and business firms are not yet crystal clear. Public policy on this matter has not yet been worked out. It is going to require further research and public discussion before we arrive at a sound code of practices for foundations. It is the belief of this writer, for example, that every tax-exempt foundation should have a public board—a board on which a majority of members are distinguished citizens not related to the donor nor associated with him in business. But the consequences of such a requirement should be fully and widely discussed before it is laid down as an unvarying principle of good practice.

The Purpose of Foundations

It is important to be clear—as we have tried to be in the preceding paragraphs—about the things foundations should *not* do. But the great purposes of the foundations are not to be found in such negative considerations. Along with the churches, universities, libraries, and laboratories of the nation, they are committed to aims of central importance to the future of the nation. It is in their capacity to further such aims that they must find their justification. The only respect in which they differ from other tax-exempt institutions is that they lend themselves to a greater flexibility in the channeling of funds for tax-exempt purposes.

All objective accounts of the leading foundations have paid ungrudging tribute to the importance of their contributions. Even their critics freely admit the influence they have wielded—in fact their influence is one of the points in the indictment. Yet if one compares foundation expenditures with the total amount the nation spends on educational, scientific, and cultural activities, one is struck by the very small fraction that their combined spending represents. In 1963 all of the foundations together spent not much more than $800 million;

in the same year governmental spending (federal, state, and local) for the same purposes exceeded $70 billion. In other words, foundation spending was a little more than one per cent of governmental spending for the same purposes.

How could the foundations, contributing such a modest fraction of the total, have achieved such a reputation for influence and accomplishment? They have been on the whole well staffed, but it is not superiority of staff that accounts for their performance. I believe most serious students of the subject would say that it is due to the effectiveness of the modern foundation as a device for fostering innovation. It is designed to make money go a long way in the service of creativity and constructive change. It is one of the few institutions in our society that can keep itself free to act quickly and flexibly in support of the talented individual or the institution that wishes to undertake an experimental program. Anyone who has had administrative responsibilities knows that one of the great barriers to new developments is that the conventional institution rarely has funds for innovation. Its funds are committed to normal operating expenses. The modern foundation keeps money explicitly for innovation.

The modern foundation is still, as social institutions go, a relatively new invention. Today we must treasure any institutions designed to function flexibly and creatively in a period of rapid change. The foundation is such an institution. It is not only an element in our pluralism; by supporting a wide variety of creative individuals, it contributes to an even greater and more fruitful pluralism. Rather than forcing it to be like other more conventional institutions, let us see what we can make of it.

John W. Gardner

PRESIDENT

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Opportunity for All

The most important task facing American education today is to remove the remaining barriers to educational opportunity, whether the barriers are due to race prejudice, urban slum conditions, economically depressed rural life, or just plain bad education. Schools must not only have regard for the currency of their courses and the competency of their teaching; they must consider as well the quality of the situation in which the children must learn and the backgrounds and abilities of the children for learning. The school is the only institution that stands astride the road to adulthood for every child and is thus the only institution that can provide every child the opportunity to fulfill his abilities. When it does not do so, the child and the nation suffer.

During the year under review, the Corporation granted more than one-fourth of its income for programs to improve education for disadvantaged Americans; this group includes a large proportion of the nation's Negroes. In keeping with the Corporation's long-standing interest in higher education, most of the grants were made for the strengthening of predominantly Negro colleges and universities. (Many of the grants that the Corporation made in 1963–64 are described in this Year in Review, but not all. A complete list appears under Appropriations and Payments, beginning on page 54.)

Aid for Higher Education

Between 1854 and 1947, 45 public and 71 private institutions were established for the higher education of Negroes, all but six of them in the southern states. Students entering these colleges today are often inadequately prepared for higher education. They come from secondary schools that are understaffed and underequipped, and they have been taught by men and women who have themselves been the victims of the same system. The colleges have therefore been forced

to offer remedial work at the sacrifice of normal college-level study. When the graduates of these institutions then go on to teach in segregrated schools or colleges, as more than 50 per cent of them have been doing, the deficiencies in their backgrounds perpetuate lower standards of achievement within the Negro educational system.

One way to break into this circle is to prepare the students for college-level studies through supplementary education. Another is to help the college and university faculty continue their education. The faculty must also have opportunities to become acquainted with their colleagues at other institutions and to attend professional meetings. Instead of the professional isolation in which most of them have been working, they must be offered the stimulation of belonging to the whole profession.

The Corporation made a large appropriation this past year for the development program of the United Negro College Fund, which helps support 33 private colleges and universities. More than 80 per cent of the appropriation was allocated during the year, one part to the Fund itself to be used for all its members, the rest to six of its member colleges for specific programs. Hampton Institute, Dillard University, and Knoxville College received funds for graduate study for faculty and for the expansion of the colleges' remedial programs for entering students. Bennett College received a grant to enable it to open its Saturday School, supported by Carnegie since 1961, to a larger number of able high school youth from Greensboro, North Carolina, and surrounding communities, and for advanced study for faculty.

Tuskegee Institute and the University of Michigan have started an exchange of faculty and students and of choir, drama, and other student groups. The grant to Tuskegee will be used to foster this relationship, to strengthen the Institute's College of Arts and Sciences by the addition of several senior professors, and to develop experimental remedial courses for high school and college students.

The sixth allocation from the Fund appropriation went to Tougaloo College. It provides fellowships for advanced study at Brown and other universities for some of Tougaloo's younger teachers and helps bring Brown faculty to Tougaloo.

Other Carnegie grants this past year support interuniversity pro-

grams begun by several public colleges and universities. Three largely Negro institutions—the Agricultural and Technical College of North Carolina, North Carolina College at Durham, and Texas Southern University—are sending faculty to the University of Wisconsin for doctoral and post-doctoral study and research; visiting Wisconsin faculty are teaching at the southern institutions. Young instructors at Florida Agricultural and Mechanical University are being offered a chance to study for their doctorates at Florida State University. These two institutions, one predominantly Negro, the other predominantly white, have campuses less than two miles apart in Tallahassee. Presidents of the Negro colleges and universities hope that these and other opportunities for faculty advancement will help them attract and hold well-trained teachers, whom they otherwise often lose to other institutions and professions.



Five institutes were held in the summer of 1964 for faculty from 70 predominantly Negro colleges. The institutes were designed to bring the teachers up to date on the latest developments and teaching methods in five fields—biology, English, history, mathematics, and physics—and to provide them a chance to work with some of the outstanding professors in these subjects. Three of the institutes were supported by Carnegie and two by the Rockefeller Foundation, through grants to Educational Services Incorporated (ESI).

In the spring of 1964 several Negro high school administrators asked Stetson University to offer a summer program tailored especially to their problems and needs. With the aid of the Corporation, Stetson responded with a special seminar focusing on such areas as the selection and retention of faculty, budgeting and accounting, and

relationships with parents and the community at large. This year it is consulting with the principals in their schools and offering a night course in school administration.

Supplementary Education

To help the colleges end remedial instruction and concentrate on college-level work as soon as possible, ESI undertook a second project last summer: the development of supplementary educational materials in English and mathematics for high school students and graduates. The materials are being designed to help the students eliminate their deficiencies in these two basic subjects before they enter college. It is hoped that the materials may later be adapted to improve the regular high school curriculum.

The Corporation has also been concerned with helping intellectually able youth who are disadvantaged or lack motivation to obtain higher education. It has contributed to several programs to interest them in preparing themselves for college. This year Carnegie Institute of Technology and the Pittsburgh public schools, with Corporation assistance, began an experimental program for about 40 disadvantaged high school juniors. They are being offered special courses in English, mathematics, and science at Carnegie Tech in the summer and on Saturday during their last two years in high school. The students spend one week of the first summer and all of the second in residence on campus. Special counseling is also being provided for them and their parents.

Terry Sanford, governor of North Carolina from 1961 through 1964, devoted much of his attention to education. In his last year in office he initiated a major attack on the critical problem of remedial education by establishing the North Carolina Advancement School. A state-operated boarding school in Winston-Salem, it offers intensive three-month sessions of remedial instruction in reading, English, and mathematics to eighth-grade students and teachers from all over the state. The teachers are instructed in the use of remedial materials and techniques and, as a part of their training, help with the teaching. Carnegie and the United States Office of Education have made major grants to support the school.

The Corporation is also interested in young children from poor and disadvantaged homes, a high proportion of whom do not learn to read in the first two grades. At best they suffer reading and learning difficulties throughout their school years; at worst they become school failures and dropouts. Martin Deutsch, director of the Institute for Developmental Studies at New York Medical College, believes that the root of the problem may be that during their preschool years these children are deprived of the opportunity to develop the language skills on which the usual elementary education program is based. With Carnegie assistance the Institute is seeking to identify the children's specific learning problems and find ways to overcome them.



Educational Innovation

Education in the United States today requires innovation on every front. The old methods, the old facilities, and the old modes of organization are no longer adequate. They must be replaced by new ones that will meet not only today's but tomorrow's problems, taking from their predecessors the good that can be carried forward and integrating it with the new. Ideally, provisions for continuous innovation should be built into the educational system.

Vocational and Technical Education

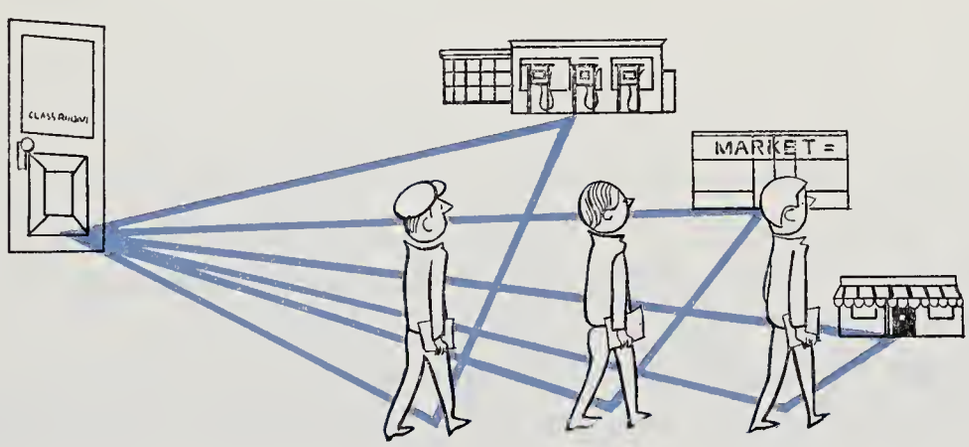
In no area is the need for innovation more acute than in occupational, vocational, and technical training. Agencies of federal, state, and local governments, as well as many private groups and institutions, are beginning to give more attention to vocational and technical education; but there are not enough teachers, administrators, or leaders or enough imaginative, up-to-date programs. In view of the great need that exists for training and retraining for skilled occupations, far too little has been accomplished.

Entry into the world of work is no longer easy for high school graduates who do not have advanced training, let alone for those who drop out before completing high school. Grant Venn, superintendent of schools in Wood County, West Virginia, believes that the high school has the responsibility to make itself an avenue to a productive life for these students, just as it serves as a preparatory institution for students going to college. This past year Wood County opened a counseling and placement bureau to help young persons between 16 and 21 years of age make the transition from high school to job. Guidance counselors are using their summers to meet with students and parents to discuss the students' career opportunities and to help them make appropriate educational plans. In 1964, the first summer of the experiment, approximately 90 per cent of the total potential

number of students appeared for conferences. The placement bureau is working closely with local business and industry and with the State Employment Service to help the youth, whether students, dropouts, or graduates, find jobs commensurate with their abilities. At the same time it is encouraging and helping them to continue their education either toward a high school diploma or in post-high school courses. A Carnegie grant supports the experiment.

At the post-high school level, the New York Institute of Technology is developing an automated, self-instructional system to train engineering technicians. When the system has been completed, it may serve as a model for other engineering technician programs throughout the country, offering one kind of solution to the severe manpower and teacher shortage in this field. It will also be possible, the Institute believes, to adapt the system to the teaching of some nonengineering subjects. The Institute has already devised an automated classroom in which 150 students can simultaneously receive individual instruction in electronics technology, and which employs computers to determine each student's course of study according to his progress.

During the past year the Corporation has made a number of small grants for other studies and experiments in vocational and technical education. The American Association of Junior Colleges called together a few leading administrators of two-year colleges to consider ways in which those institutions with well-developed vocational programs might serve as resource centers to aid the development of programs in other junior colleges and technical schools. The University of Michigan held an eight-week summer workshop in 1964 for poten-



tial leaders in the field. And the Milwaukee Institute of Technology undertook a study of the uses of programed instruction, television, and other new teaching methods before experimenting with their application to vocational training.

Liberal Arts Colleges

The Corporation has been concerned throughout its history with the vitality of the liberal arts college; from time to time it has supported curriculum innovations at a number of these institutions. This past year the Newberry Library in Chicago received an appropriation to enable it to offer research grants in the humanities to students and faculty from the ten liberal arts colleges that make up the Associated Colleges of the Midwest—Beloit, Carleton, Coe, Cornell, Grinnell, Knox, Lawrence, Monmouth, Ripon, and St. Olaf. The affiliation, to begin in the fall of 1965, will increase the scholarly facilities available to students and faculty and at the same time expand the use of the Library's collection, concentrated primarily in Western civilization from the late Middle Ages to the end of the nineteenth century.

Two of the Associated Colleges, Beloit and Cornell, have also taken other unusual steps to improve their instruction, in part with Corporation aid. Cornell has begun a new two-year sequence of humanities courses for sophomores and juniors and seminars for freshmen in English and the social sciences. These are part of a major reorganization of its program which Cornell plans to institute over several years. Beloit has abolished the standard four-year sequence of courses in favor of operating on a year-round basis. Students spend an initial full year and a final year on campus; the middle period may be of varying length, a student spending some time at Beloit, some abroad, and some at work. Most of the course requirements, with the exception of the departmental major, have been dropped. Instead, a student's knowledge will be tested by broad area examinations in the humanities, the social sciences, and the natural sciences, which he may take at any time during his college career. The results will determine what additional courses he needs to take.

Bowdoin College has been seeking a method of offering greater intellectual challenges to college seniors who, it finds, are increasingly

mature and sophisticated. It has constructed a new Senior Center in which seniors live together. A resident faculty director plans and arranges for seminars and visiting lecturers, writers, and scholars, who meet formally and informally with the students. A Carnegie grant helps support the Center's program.

Other New Programs

Corporation grants during the year under review have supported a number of other educational innovations. Brown University has for several years encouraged interdisciplinary work in the humanities. Following the lead of the sciences, in which wholly new fields of knowledge have emerged from cross-disciplinary studies, it has offered special courses taught by outstanding members of the humanities faculty and focused on the relationships among the various fields. To spread the idea, the University has since 1961 offered fellowships for interdisciplinary research and teaching in the humanities to new Ph.D. holders who will subsequently teach at other colleges and universities. The Corporation renewed its support of the program in 1964.

In the Midwest, two institutions, one specializing in the liberal arts, the other in science and technology, have jointly launched an experimental program in philosophy with the aid of the Corporation. Western Reserve University and Case Institute of Technology are bringing philosophers together with specialists in various other disciplines for the purpose of exploring the relationships between their fields. Faculty and students from the two institutions, joined frequently by visiting scholars, participate in cooperative seminars and research projects.

Two other projects to bring innovative ideas into the classroom received Corporation grants during the past year. One, to the University of Chicago, will help William H. McNeill prepare materials for an experimental college course in world history based on his book, *The Rise of the West* (University of Chicago Press, 1963), to which the Corporation also contributed. The other, to the University of Oregon, made possible the production of a series of videotapes that explain generative or transformational grammar, a new approach to the study of grammar, to high school teachers.

Continuing Education

The more education adults have, the more they seem to want. Those who have the least education desire it least, although they fall lowest on the socio-economic scale and have the greatest need to increase their knowledge and skills. These hypotheses, which many educators have long believed, have been confirmed by the National Opinion Research Center in a study of adults' participation in educational activities and of their attitudes toward education.* The study, supported by the Corporation, was given additional aid in 1964 for its completion.

The scope of the task facing continuing education is realized with especial force when one considers the increases anticipated in population and levels of educational attainment. Over the next two decades the number of adults between the ages of 20 and 35 will rise by almost 70 per cent, and the percentage of all adults who will have gone to college will go up almost as much. The college-educated will almost surely look to education as a way of continuing their personal and professional growth. So will a greater number of the 50- to 70-year-olds, whose average educational attainment is going up and who will have more leisure time.

For the several million adults who want or can be encouraged to continue their learning, there is no means more flexible and potentially useful than correspondence education. It can serve them wherever in the world they may be and at whatever pace they set. But like so many other areas of education, correspondence study must be thoroughly overhauled and infused with new life if it is to achieve its potentialities. This past year the American Council on Education, with Corporation aid, embarked on a new look at the state of the field and

* *Volunteers for Learning*, by John W. C. Johnstone and Ramon J. Rivera. Chicago: Aldine Publishing Company, April, 1965.

the best practices in it. The review should prove helpful as a guide for the future development of correspondence study, whether it is used alone or in combination with other techniques of continuing education.

Correspondence study is just one of many techniques of nonresidential education that the State University of Iowa proposes to try in its experimental continuing education program for engineers. Practicing engineers, scattered in approximately 100 communities and specializing in almost as many fields, will be able to catch up on developments in their fields and take graduate courses in engineering with little or no time spent on the campus.

Besides contributing to the individual fulfillment or vocational advancement of adults, continuing education offers the possibility of relieving some of the pressures on colleges. The University of Wis-



consin is experimenting with providing more off-campus opportunities for degree programs: correspondence courses, television, programed learning, telelectures, traveling libraries, field laboratories, and other opportunities for individual study for credit. The University recognizes that it cannot afford to build enough dormitories and classrooms for the tremendous numbers of students seeking a college education in the years ahead and that many young persons cannot or do not want to study on campus full time. Using its correspondence instruction and summer session as the base of the program, it will seek to reach the maximum number of students for the maximum amount of education. On-campus study will be reduced and planned to fit into vacation periods and other times convenient to the students, and much of it will be available at centers within easy commuting distance of almost all parts of the state. The University will give full credit for

all courses. The Corporation is supporting both the Iowa and Wisconsin efforts.

The Corporation has also contributed to the support of the Center for the Study of Liberal Education for Adults, which is now affiliated with Boston University. The Center's goals include encouragement of new degree programs for adults, adult education in the arts and in urban and public affairs, more independent study programs, and more and better informal, noncredit courses for adults.

Continuing Education for Women

One area of continuing education in which some new ideas are taking hold is that of higher education for women. With Corporation support more than a half-dozen colleges and universities have undertaken experimental programs tailored primarily to the needs of wives and mothers. At the University of Wisconsin, where the Corporation is supporting a graduate women's fellowship program, mature women students have done so well that once skeptical faculty have now begun to encourage them to apply for graduate status in their departments.

The University of Pittsburgh, with another Carnegie grant, is providing fellowships at its graduate library school for women who can study only part time because of household responsibilities. Harold Lancour, dean of the school, intends to urge libraries to employ women on a part-time basis to help ameliorate the serious shortage of trained librarians.

The University of Pennsylvania is similarly urging employers to hire more women part time in jobs commensurate with their abilities and training. The Corporation made a grant to the University this year for this new project and for further support of its counseling program for mature women.

Sarah Lawrence College received a second grant in support of its Center for Continuing Education. The emphasis under the new grant will be on the initiation and development of graduate studies in cooperation with universities in New York City. Master's degree programs in elementary school teaching and social work now are being provided in Westchester County by New York University. Other professional courses are being planned.

Learning About Learning

Any innovation in education can have meaning and purpose only if it enables a child or adolescent or adult to learn something of value more effectively or more rapidly than he might otherwise have done. Although educators are continually experimenting with new methods, they still know less than they would like to know about how a student learns, and why he often fails to learn.

Why, for example, do some children of obviously high ability do badly in school? Why do five times as many boys as girls need remedial instruction in reading? How can knowledge about individual differences be put to use in the classroom? What practical techniques can be developed to help each learner acquire and retain new knowledge at his optimum rate? How can teachers determine the optimum rate for each student?

One of the most encouraging trends in American education over the past few years has been the heightened interest in problems of education among psychologists, sociologists, economists, and other social scientists. There has emerged, at the same time, a new spirit of collaboration between the researcher in the university and the teacher in the classroom. The Corporation has sought to stimulate these trends by supporting able social scientists who are interested in the learning process and whose work promises to build a sound foundation for educational practice.

Cognitive Change

At Yale University and the University of Illinois, psychologists William Kessen and Harry L. Munsinger are testing theories about how cognitive change is produced or, in the words of the layman, how one's knowledge is increased. Starting with the theory that new information creates uncertainty in the beholder, they have found that every person has a preference for a certain degree of environmental

uncertainty or unpredictability, a degree that he can assimilate because of the closeness of its relationship to his previous experience. But through training, a person finds ways to assimilate greater uncertainty, and his preference level can thus be increased. By testing students' reactions to different degrees of difficulty in a step-by-step presentation of information, Kessen and Munsinger hope to determine what the optimum range of uncertainty for learning may be. If a problem is too easy, they hypothesize, a student may not learn because the uncertainty is so small that it does not require any adjustment in what he already knows; if it is too hard, the uncertainty may be so large that it cannot be assimilated. The degree of uncertainty that a person prefers may explain his interest in learning: the more uncertainty he likes, the greater his curiosity and desire to learn.

At the University of California, Donald W. MacKinnon and his colleagues at the Institute of Personality Assessment and Research have been studying creativity for a number of years with Carnegie assistance. Under a new grant, they are now investigating the relation of intelligence to creative ability; the relation of the group process to creativity as exemplified, for instance, by architects working alone and in collaboration with other architects; and events in women's early adulthood that may affect their creativity.

Omar K. Moore, professor of psychology at Rutgers-The State University of New Jersey, believes that children have far more intel-



lectual ability and interest than educators now recognize. He has demonstrated that young children of average intelligence can learn to read and write in an informative and responsive environment. The learning of these complex skills appears to raise the children's tested I.Q.'s, and Mr. Moore theorizes that this early learning will also increase their adult ability to cope with difficult problems. With additional Carnegie aid, he plans to complete his initial demonstrations, to try "teaching" a foreign language and mathematics in a responsive environment, and to begin to evaluate his findings scientifically. He also wants to determine the effects of the early learning experience on children's personalities and problem-solving abilities.

Among children who have difficulty in learning to read, the New York University Medical Center has found a small percentage who have perceptual and neurological defects. Dr. Archie A. Silver and Dr. Rosa A. Hagin are experimenting to determine whether the perceptual problems that are associated with reading disability—the perception of visual, auditory, and tactile stimuli, for example, and the awareness of right and left orientation—can be overcome by training, and whether improved perception will bring about improved reading achievement.

Individual Differences

Professors of psychology, English, music, biology, and mathematics are working together at George Peabody College for Teachers in an intensive research program on learning problems of elementary school children. They are particularly interested in individual differences and what methods of learning are best suited to different abilities. A Corporation grant will be used to add young teachers to the faculty for research and teaching and to provide fellowships for doctoral candidates who want to train in educational research.

Programed instruction has been viewed by some as a means of providing for individual differences in ability in and out of the classroom, but little research has yet been done on how effectively students learn when they use programed materials. An exception to this can be found at Harvard University. There a group of research psychologists, working with faculty from other disciplines, have been developing and

testing programed materials for high school and college courses and studying the uses and effectiveness of programed instruction. They have also established a clearinghouse for information about work in the field. They have given priority to projects that reflect a new approach to a discipline or that promise to develop valuable programing techniques or yield information useful in analyzing the psychological bases of programing.

David C. McClelland, professor of social relations at Harvard, is interested in one of the most difficult research topics in the field of learning: motivation. Most psychologists have believed that motives are formed during childhood and that it is difficult, if not impossible, to change the motivations of an adult. McClelland, however, believes that adult motivation can be changed by education. Under an earlier Carnegie grant he developed short courses to increase business executives' motivation toward entrepreneurial achievement. With a new grant he hopes to find out whether the courses produced lasting changes. If they did, his discovery will have important implications for individual achievement in many areas, including education.

The Education of Teachers

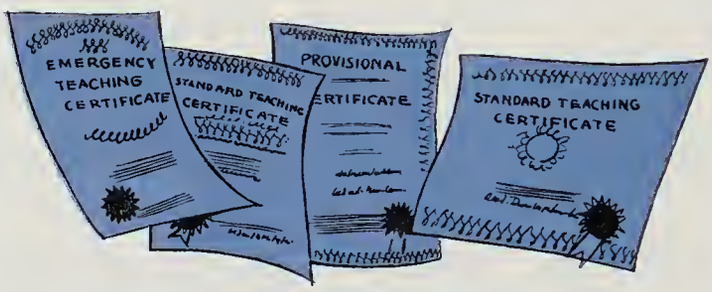
If the United States is to have an educational system of which it can be proud, it must look to the quality of its teachers. None of the other educational reforms—in curriculum, facilities, methods, organization—will be of use without good teachers.

No one is happy with the present situation, but it is clear that the present difficulties will not yield to oversimplified diagnosis or therapy. As James B. Conant and others have pointed out, American education is going to have to concern itself with the curriculum of teacher education, the staffing of teacher education institutions, arrangements for practice teaching, teacher certification, induction into the first professional job, salary scales and working conditions, career patterns, and the re-education of mature teachers.

The new teacher has certain problems and adjustments to cope with, and the experienced teacher needs to keep up to date on new teaching ideas and techniques. In Portland, Oregon, the public school system is setting up a city-wide experimental program of in-service training to help both. The training will be tailored to the specific knowledge and skills that each teacher needs in the classroom. Expert teachers from the school system and the local colleges and universities are collaborating in planning and conducting the courses. A Corporation grant is supporting the project.

The Harvard University Graduate School of Education, with Carnegie assistance, is currently re-appraising its entire operation: organization, practices, and program. The new dean of the School, Theodore R. Sizer, has appointed a 12-man faculty committee to survey the graduate programs of teacher education at other large universities in the United States and abroad, restate the purposes of graduate schools of education, and make specific recommendations for Harvard's school.

Over the past few years the methods and standards for accrediting teacher education programs have been frequently challenged. This past year the National Commission on Accrediting, an agency organized by colleges and universities to oversee the accrediting process in all fields, was the recipient of a Carnegie grant to determine how the accreditation process has affected college and university programs of teacher education. John R. Mayor, director of education of the American Association for the Advancement of Science, has undertaken the study. His findings, which will be published by the National Commission under the title *Accreditation in Teacher Education: Its Influence on Higher Education*, will be available in April, 1965.



Educational Leadership

In the state of New York there are almost 5,000 school board members, 297 local and district superintendents, and more than 4,000 trustees serving on the boards of over 200 colleges and universities. The rate of turnover in all these positions is high; an average of 27 new college and university presidents alone must be appointed in New York State each year. Considering the importance of these persons to our educational system, it is surprising that more has not been done to identify, recruit, train, and retain potential leaders for executive positions in education and for membership on lay boards of school systems, colleges, and universities.

This past year a start was made in New York. James E. Allen, Jr., state commissioner of education, and James A. Perkins, president of Cornell University, organized the Committee on Educational Leadership to concern itself with these questions and recommend plans and programs for action. The Corporation is supporting its work.

The Operations of School Boards

Two Carnegie grants for analyses of educational leadership in the public schools were made in 1964. Professor H. Thomas James at Stanford University is examining the great variety of ways that school board members are selected. The method of selection, he believes, may have important implications for a board's operations, particularly in fiscal decisions and in its willingness to accept innovations.

At Syracuse University, Alan K. Campbell, director of metropolitan studies at the Maxwell Graduate School of Citizenship and Public Affairs, and several other scholars are studying how decisions are reached by school boards and top administrators in large metropolitan systems. How is the school system organized, the Syracuse group asks, and how could it be better organized to deal with the problems it

faces? Who makes decisions, and how, and what kinds of decisions do they make? What are the effects of their decisions on the allocation of the educational budget within the school system, the racial balances in the schools, the relations between teachers and administrators?

The Corporation is also supporting two efforts to improve the operation of college and university boards. The Association of Governing Boards of Universities and Colleges has been reorganized, and has extended its membership from state institutions to all accredited public and private colleges and universities. It plans to offer a wide range of opportunities for board members of different institutions to share experiences and compare notes on common problems.

Editorial Projects for Education was set up by writers and editors of alumni magazines to improve the quality of those publications. In 1965 it will publish a special newsletter on an experimental basis to provide trustees with information on significant developments and critical problems in higher education.

Scholars at Work

For the most part Carnegie makes grants to colleges, universities, school systems, and research and professional organizations. These grants support programs of research, experimentation, and training and conferences that involve groups of persons ranging in size from a few researchers to whole classes of students. But the officers and trustees of the Corporation have always held that some portion of the grant funds should be made available for fellowship programs for individual scholars. As the Corporation is not organized to administer this kind of program itself, it has supported fellowships in the social sciences through the Social Science Research Council, in the humanities through the American Council of Learned Societies, and in the natural sciences through the Carnegie Institution of Washington. Awards under these programs are not limited to the Corporation's current program interests. Recent winners of Social Science Research Council fellowships and grants-in-aid for research, for example, include:

> a sociologist conducting research in England and Italy on medical and legal decisions concerning hospitalization of the mentally ill;
>
> a professor of social relations exploring the family and peer relations of gang members who are delinquents;
>
> an economist who is looking into regional inequality in the United States and national economic development.

This year the Corporation renewed its grant to the Social Science Research Council for research fellowships and grants-in-aid for individual research projects. It also made a grant for general support of the Council's activities.

The Carnegie Institution of Washington awards senior fellowships

in the physical and natural sciences. This year it received additional funds to expand its program. Among its grantees:

> a researcher in bacterial genetics who pursued her investigation of mutations of bacteria aimed at a fundamental question in biology, how the "information" contained in the chromosome is transmitted from one generation to the next;
>
> a geophysicist from California and a colleague at Göttingen, Germany, who discovered a type of magnetic anomaly deep in the earth's crust which provides one of the rare avenues for examining the interior of the earth at some depth below the crust.

In a few instances, Corporation grants support the work of outstanding scholars whose needs or interests do not fit the pattern of the organizations that administer grants for individual research projects. During the past year a grant was made to the Massachusetts Institute of Technology for research and writing by John E. Burchard, who retired in 1964 as dean of the School of Humanities and Social Science, but who is continuing his active career as an architectural critic.

David Riesman, who wrote his first book, *The Lonely Crowd*, under a Carnegie-supported project, has recently been exploring the organization and processes of American higher education. A grant to Harvard University will enable him to continue his studies.

National Affairs

". . . Our form of government is called a democracy. . . . In election to public offices we consider neither class nor rank, but each man is preferred according to his virtue or to the esteem in which he is held for some special excellence: nor is any one put back even through poverty, because of the obscurity of his person, so long as he can do good service to the commonwealth." Pericles thus set forth ideals which Americans embrace. Yet in the United States today a candidate for Congress may spend more than $150,000 on his campaign, each of the two major parties spends more than $10 million in a presidential election year, and several million dollars may be spent to secure the presidential nomination.

Because William H. Vanderbilt, former governor of Rhode Island, was alarmed by the high cost of running for public office, he established the Citizens' Research Foundation in 1958 to study problems of political finance. Herbert E. Alexander, the Foundation's director, is now preparing a short book appraising the financing of political activities, primarily in federal elections. He intends to examine the implications of present methods of raising and spending political funds and the consequences of other possible means of financing political parties. The Corporation is supporting the preparation of the book and the employment of an assistant director to work with Mr. Alexander on further studies.

In each presidential election from 1948 through 1964, the behavior of the voter himself has been the subject of a major study by a group of social scientists at the Survey Research Center at the University of Michigan. In addition to the usual questions designed to find out why people vote as they do, the survey in 1964 included questions about the voter's involvement in campaign financing through personal contributions and fund raising, and his attitudes toward these matters.

The interviewers also paid special attention to civil rights, foreign policy, and the influence of the extreme right on American politics. A Carnegie grant covered the cost of the survey.

Congressional Reform

Over the past years a good many citizens, including many congressmen, have been critical of the functioning of Congress. Fortunately the pessimistic view that it is a static and unchanging organization is not borne out by history. The last important congressional reform took place less than 20 years ago under the Legislative Reorganization Act of 1946. Now the American Political Science Association, whose study of Congress was one basis for the 1946 act, has undertaken a new appraisal of Congress' problems. The director of the study, Ralph K. Huitt, a political scientist at the University of Wisconsin, has served as an aide to two senators and is a recognized authority on the appropriations process. He plans to enlist the assistance of several of the able young political scientists now engaged in research on the Congress.

At about the same time that the Association began its study, the Brookings Institution arranged a series of discussions with members of the House of Representatives to explore how its leadership and committees facilitate or hinder the conduct of legislative business. Both projects have received Corporation support.

The Executive Branch

On October 3, 1964, President Johnson announced a new program of White House Fellows. He stated then: "The purpose of the program is to give the Fellows first-hand high-level experience with the work-



ings of the federal government and to increase their sense of participation in national affairs." The plan provides for 15 exceptionally able young men and women to serve for 9 to 12 months. One Fellow will be assigned to each cabinet officer, one to the Vice President, and four to the White House. A Corporation grant will provide partial support for the program during its first year.

To help preserve for future historical scholarship as complete a record as possible of the important events and decisions in the administration of President Kennedy, the Corporation made a major grant this year for the John F. Kennedy Oral History Project.

A Changing Society

Americans are only partially aware of the major changes that technology and science, the rapid population increase, urbanization, greater longevity, and increasing leisure are causing in many aspects of American society. The American Academy of Arts and Sciences, with Carnegie support, proposes to look at several of these critical areas in the next few years. The Academy, whose membership includes many of the ablest minds in the nation, is in an unusually good position to bring to bear on these problems the varied insights of experts from many academic fields and from the world of action. The Academy plans to publish a number of the most significant papers on each subject in *Daedalus*, its quarterly journal.

At the University of Pittsburgh, philosophers Kurt Baier and Nicholas Rescher will direct a study of the impact that changes in science and technology are having on established individual and social values in the United States. Their efforts are being supported by both Carnegie and the International Business Machines Corporation.

Public and private organizations are constantly making decisions that affect the development and utilization of our human resources—for example, decisions to expand (or contract) industrial and governmental programs that compete for essential personnel, to allocate (or withhold) public funds for education, to enlarge (or diminish) the number of fellowships and scholarships offered in various fields. But such decisions have generally been made with little or no systematic knowledge of the facts concerning our human resources. In 1949 the

Conference Board of Associated Research Councils made a pioneering attempt to remedy that situation. It launched the first study of the demand and supply of talented, highly trained manpower. Early in 1965 the Conference Board will begin a new study to explore the kinds of talent that are necessary for success in the professions, humanities, sciences, and engineering, and the kinds of persons who are working in these fields. It intends also to look at the kinds of persons who appear to be potentially qualified for work in these areas but who fail to obtain the necessary education. The Corporation and the Russell Sage Foundation are sharing the cost of the study through grants to the National Academy of Sciences-National Research Council.

Carnegie gave a grant this past year to the University of California, Los Angeles, for the first survey of the Japanese immigrants who came to the United States before the Immigration Act of 1924 was passed. The survey, and the larger study of which it is a part, were initiated at the suggestion of the Japanese American Citizens League, which itself raised more than $100,000 to support the study. Recognizing the contributions that the Japanese have made to American economic and cultural life in spite of the discrimination and injustices that they have suffered, the Corporation believes that an understanding of the immigrants' motivations in coming to the United States and their achievements here may provide clues to ways in which other immigrants may be helped to adapt to life in this country.

The Corporation made two grants this past year to help improve the reporting of public affairs. Reporters frequently complain that, because of deadline pressures and time and space limitations, they never have a chance to dig beneath the surface of important events. To provide this kind of opportunity for some top-flight journalists and to give journalism students the stimulation of contact with them, the Columbia University Graduate School of Journalism will offer several reporters appointments as Carnegie Fellows for periods of up to a year. The Education Writers Association has embarked on a program to encourage high standards of educational reporting. In 1964–65 it will hold two seminars, supported by Carnegie, on problems and developments in education.

International Affairs

Since 1945, when the International Bank for Reconstruction and Development was established, it has loaned approximately $8 billion for development projects in Africa, Asia, Europe, and Latin America. Now a sufficient number of projects have been completed for a long enough period of time that some assessment can be made of the economic and social effects of the Bank's loans. The Brookings Institution, with the approval of the World Bank, has undertaken such an appraisal with Carnegie aid. Brookings expects that the study, which is under the direction of Professor Albert O. Hirschman of Harvard University, will yield information useful in the selection and evaluation of development projects, shed light on both the potentialities and limitations of foreign aid, and contribute to knowledge about the processes of development.

Political and Social Development

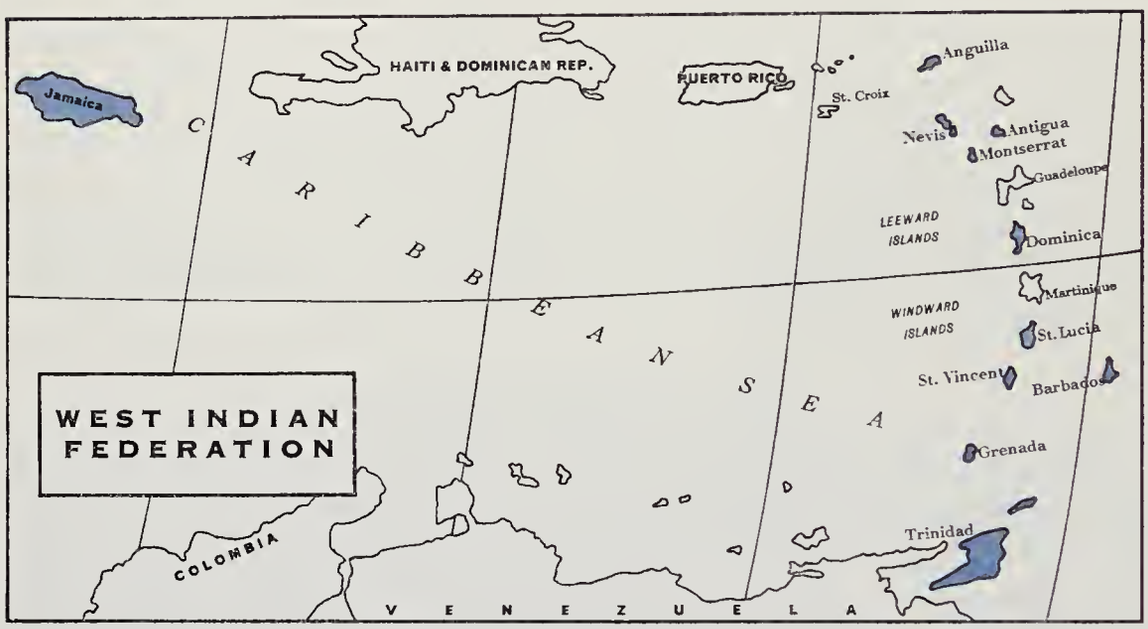
Learning more about the factors that help and hinder modernization and development has been one of the main purposes of the Corporation's program in international affairs over the last few years. This past year the Corporation granted funds for several other efforts toward this objective. Professor Nicholas DeWitt of Indiana University is making a comprehensive survey of educational planning and the relationship of education to national development in a number of countries, especially the modernizing nations. At the University of California, Seymour Martin Lipset, director of the Institute of International Studies, is reviewing the many studies of political and social development in the emerging nations to see whether a set of principles for understanding and managing national development can be evolved.

The role of the United Nations and its agencies in the development of political institutions and administrative procedures in new nations,

a subject on which little research has been done to date, is being appraised by Walter H. C. Laves, chairman of the department of government at Indiana. Under a grant to Yale University, American psychologist Leonard W. Doob and African scholars at several African universities are studying some of the changes in attitudes, beliefs, values, and actions that accompany the process of modernization.

The Forces of Separatism

The political ferment and zeal for autonomy that characterize the emerging nations have raised the question of how these nations can maintain, either within themselves or among themselves and other



nations, political groupings that are large enough to be economically viable. Nearly every movement toward political and economic unification has had to compete against separatist forces fed by local self-interest. In this connection, the Federation of the West Indies, which was formed in 1958 and dissolved in 1962, offers a highly relevant case study. A group of scholars at Princeton propose to see what insights might be gleaned from it. Two men who were actively involved in creating and governing the Federation, Sir W. Arthur Lewis and Sir John Mordecai, are doing the study. Sir Arthur, professor of economics and international affairs at the Woodrow Wilson School of

Public and International Affairs at Princeton, was formerly adviser to the Prime Minister on federal affairs and the principal liaison officer among the leaders of the island governments, as well as vice-chancellor of the University of the West Indies. Sir John, deputy governor-general of the Federation, was in charge of planning for many of its central agencies. He is now general manager of the Jamaica Industrial Development Corporation and chairman of the Public Services Commission of Jamaica.

The University of Denver received a Carnegie grant this past year to strengthen teaching and research in international studies in the Rocky Mountain-Great Plains area. The University has organized an interuniversity faculty seminar in international relations, focused especially on issues in modernization and development, and has arranged for exchanges of faculty and students among the colleges and universities in the region.

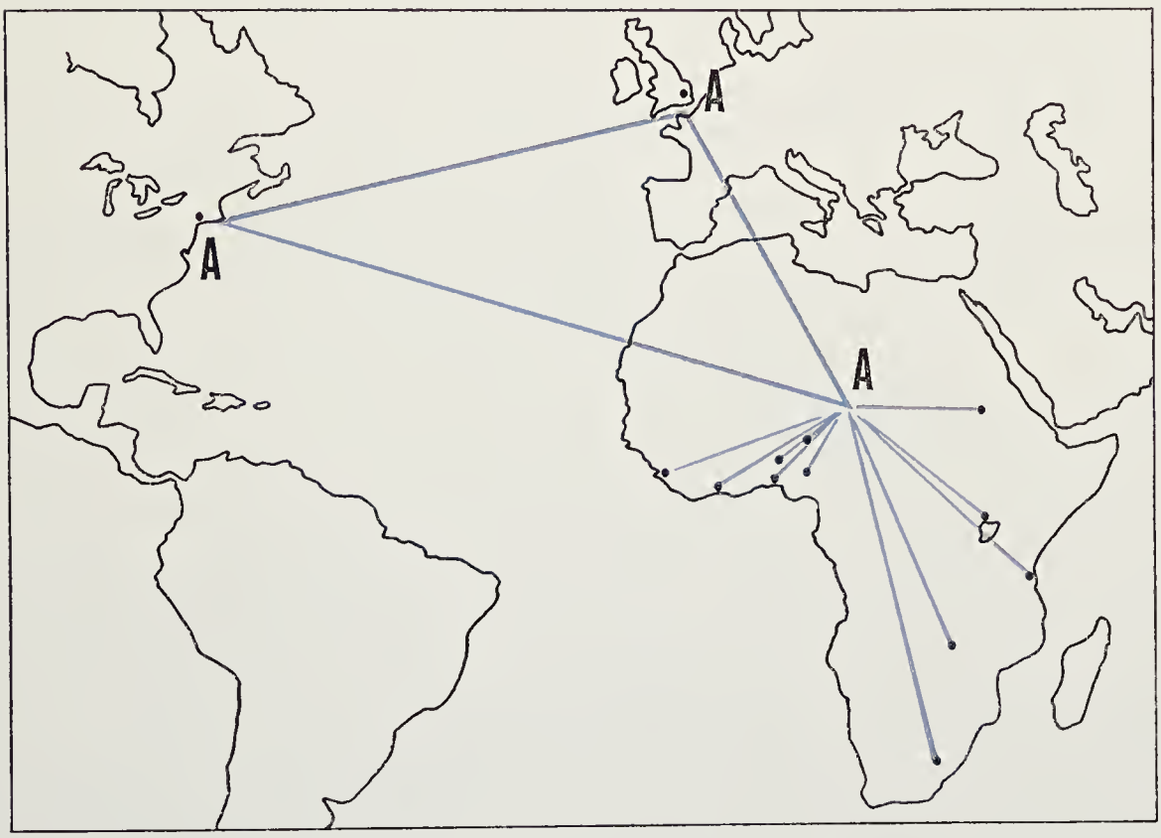
The Commonwealth Program

Despite shortages of teachers, textbooks, and classrooms, the nations of East Africa have succeeded in expanding educational opportunities for their youth very rapidly over the past few years without lowering the overall quality of education. Further increases in school enrollments will be accomplished at the expense of quality, however, unless the nations now tackle certain educational problems. In the opinion of the participants in an East African conference of educators, held in Mombasa, Kenya, in January, 1964, the chief threat to educational quality is the shortage of teachers. But educational leaders, in addition to increasing teacher-training programs, must be concerned with undertaking urgently needed educational planning and research and with providing advice, assistance, and in-service training to present teachers. These tasks, the conferees agreed, could best be undertaken by an institute of education in each country which could build a permanent working relationship between the University of East Africa, the teacher-training colleges, the ministry of education, and the teachers' organizations. An institute is normally based at a university, which enables it to draw on the other divisions of the institution. The conference therefore recommended that an institute be established at University College in Nairobi, Kenya, and at University College at Dar es Salaam, Tanzania, and that the institute at Makerere University in Kampala, Uganda, be strengthened. The Corporation made a grant to the University of East Africa this past year to support the development of the three institutes.

The training of staff for both the institutes and the departments of education of the tropical African universities is a major purpose of the Afro-Anglo-American Program in Teacher Education, usually referred to as the A-A-A program, which was established in 1960. Membership in the program has now grown to include the institutes of education at 11 universities in Africa, the Institute of Education at

the University of London, and Teachers College, Columbia University.

The role of the whole university in national educational development was explored intensively at the A-A-A program's 1964 conference, held in September at Lake Mohonk, New York. The conference included wide representation from the education and other government ministries, the teacher-training colleges (which in Africa train mainly primary school teachers), the various university departments,



including education, and the institutes of education. The Corporation, which is supporting the A-A-A program, made a special grant for the conference and for travel in the United States for a number of the participants.

Although the conference was not intended to produce specific recommendations or programs, the participants believe that the discussions brought forth useful guidelines for planning the development of African higher education. It was urged, for example, that the universities help foster better primary as well as secondary education by

assuming greater responsibility for improving the training of teachers for the teachers colleges and by giving more attention to in-service training for teachers, supervisors, and administrators. It was also suggested that, to speed the economic growth of the African nations, teacher education programs give high priority to the training of instructors in technical subjects: mathematics, agriculture, general science, and subjects related to engineering.

The University of East Africa received Corporation assistance in 1964 for another project, a review of its entrance standards and degree structure as they relate to the needs of East Africa for university graduates. A faculty committee, working with consultants from Canada and the West Indies, studied the question of whether the present entrance requirements of the University are permitting the admission of all the candidates who are capable of profiting from the degree course of the University and, if not, how the requirements might best be modified to enroll a larger number of students.

The vice-chancellors of Nigeria's five universities believe that they should reach a consensus on academic policies, such as entrance requirements, and salaries and conditions of employment of faculty. They are also anxious to avoid competition and duplication when setting up new programs, especially those requiring expensive equipment. They have therefore set up the Committee of Vice-Chancellors to provide an organizational framework for their discussions and to represent them before the National Universities Commission, which advises the government on the financial needs of the universities. The Committee has, with Corporation support, appointed a small secretariat to study the problems before it.

Under the Corporation's Commonwealth travel grant program this past year, 52 university teachers, administrators, and other educators from 12 Commonwealth countries received grants to visit the United States, Canada, and occasionally other countries to meet their colleagues and observe developments in their fields. In addition two educators from the United States were given grants to go to the Commonwealth. A list of the 1963–64 grantees by country, showing their positions and reasons for travel, appears on pages 69 to 71. A complete list of Commonwealth program grants begins on page 67.

THE DETAILED RECORD

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From the Corporation's Journal

On September 18, 1964, one of Carnegie Corporation's most valued trustees, C. D. Jackson, died of cancer. A key figure in Time Incorporated, Mr. Jackson participated in the life of his time as fully as one man could. He was a recognized leader in the world of business. Over a 24-year period he undertook innumerable crucial assignments for the federal government. He was active in the world of education and culture, particularly in music and the arts, as a member of the boards of the Boston Symphony Orchestra, Metropolitan Opera Association, and Lincoln Center for the Performing Arts.

It is not possible in the measured words of an annual report to express the sense of loss felt by the friends and colleagues of "C.D." They will miss his warmth, wit, and wisdom. He was one of the vibrant people who leave an empty space when they go.

At the meeting of the board on January 16, 1964, Walter B. Wriston, an executive vice president of the First National City Bank, was elected a trustee. A graduate of Wesleyan University and the Fletcher School of Law and Diplomacy, Mr. Wriston has a continuing interest in foreign affairs. He is in charge of the overseas division of the Bank and has served on several government committees concerned with foreign trade. He is a director of the National Foreign Trade Council and a member of the Council on Foreign Relations, as well as a director of General Electric Company and General Mills, Inc.

At the annual meeting on November 19, 1963, Robert F. Bacher, Malcolm A. MacIntyre, and Charles M. Spofford were re-elected to the board for five-year terms ending with the close of the annual meeting of 1968. Morris Hadley, chairman of the board since 1955, was re-elected to this office.

The Corporation lost a valuable officer when Frederick H. Jackson, an executive associate, resigned after ten years of service to become assistant executive vice president of New York University. Mr. Jackson had major responsibility for a variety of Corporation programs including those for the education of academically talented youth and the teaching of foreign languages in secondary schools. Intelligence, receptiveness to fresh ideas, and an irrepressible spark of humor endeared him to his colleagues, and they wish him well in his new post.

The expanding responsibilities of several staff members were recognized with new titles during the year. Frederic A. Mosher was promoted from executive assistant to executive associate; Alice S. Hoctor was named assistant to the treasurer; Lonnie A. Sharpe, administrative assistant; and Kate Woodbridge, research assistant.

The executive committee during the year consisted of Frederick Sheffield, chairman; John W. Gardner; Morris Hadley; Caryl P. Haskins; Devereux C. Josephs; Charles M. Spofford; and Fredrick M. Eaton, who was elected on November 19, 1963.

The finance committee consisted of Mr. Josephs, chairman; Mr. Eaton; Mr. Gardner; Mr. Hadley; and Malcolm A. MacIntyre.

The board of trustees held meetings on November 19, 1963, and January 16, March 19, and May 21, 1964.

The executive committee met on October 16 and December 18, 1963, and March 5, April 15, June 17, September 16, and September 25, 1964.

The finance committee met on December 11, 1963, and March 10, June 10, and September 9, 1964.

The Secretary's Report

During the year ended September 30, 1964, the trustees appropriated $12,420,999. This figure includes $527,000 for the program in the Commonwealth. The number of grants, as well as the total amount expended, was the largest in many years. Seventy-eight grants went to schools, colleges, and universities and 39 to other organizations. In addition, four appropriations were made for travel grants and other programs administered by the officers.

Requests outnumbered grants by about ten to one. Of the requests that were declined, many were for buildings, individual scholarships and grants-in-aid, publication subsidies, general support of educational institutions, and other kinds of assistance that the Corporation, as a matter of established policy, does not provide. Nearly half of the requests, however, were for carefully planned projects of real merit which might have received support had the competition been less severe.

The list of recipients of grants, beginning on page 54, includes institutions and organizations to which funds were appropriated during 1963–64. The amounts of new grants are shown between the blue lines in the first column. The list also shows grants voted in prior years on which payments were scheduled in 1963–64 or future years.

Any balance remaining after a project has been completed is normally returned to the Corporation. These refunds and any previous commitments written off during the year are added to the income available for appropriation and listed as "Adjustments of Appropriations" on pages 66 and 68.

Since many grants are expendable over a period of years, there are about 350 Carnegie-supported programs or projects in operation at any given time. The secretary's office is responsible for securing annual reports and financial statements on all of these grants.

The Corporation does not itself publish the findings of studies that it has supported. During 1963–64, however, about 40 hard cover books and a number of paperbacks and pamphlets reporting results of projects financed wholly or in part by Carnegie grants appeared under the imprint of commercial and university presses. Some of the titles are listed here.

By coincidence rather than any change in the Corporation's program, many more books appeared this year in the area of public and international affairs than in higher education. Most of these reflect the Corporation's interest in the social, economic, and political development of new nations:

Education, Manpower, and Economic Growth: Strategies of Human Resource Development, by Frederick Harbison and Charles A. Myers (McGraw-Hill Book Company).

The Military in the Political Development of New Nations: An Essay in Comparative Analysis, by Morris Janowitz (University of Chicago Press).

One-Party Government in the Ivory Coast, by Aristide R. Zolberg (Princeton University Press).

Post-primary Education and Political and Economic Development, edited by Don C. Piper and Taylor Cole (Duke University Press).

The Small Brave City-State: A History of Nembe-Brass in the Niger Delta, by Ebiegberi Joe Alagoa (University of Wisconsin Press and Ibadan University Press).

The King's Men: Leadership and Status in Buganda on the Eve of Independence, edited by L. A. Fallers (Oxford University Press).

Education for a Developing Region: A Study in East Africa, by Guy Hunter (London: George Allen and Unwin Ltd.).

The African Presence in World Affairs: National Development and Its Role in Foreign Policy, by Arnold Rivkin (The Free Press of Glencoe).

On developments in some of the older nations, these books were published:

A New Europe? edited by Stephen R. Graubard (Houghton Mifflin Company).

The Civic Culture: Political Attitudes and Democracy in Five Nations, by Gabriel A. Almond and Sidney Verba (Princeton University Press).

Internal War: Problems and Approaches, edited by Harry Eckstein (The Free Press of Glencoe).

Scientists and National Policy-Making, edited by Robert Gilpin and Christopher Wright (Columbia University Press).

The field of education was represented by such important studies as:

The International Study of University Admissions: Access to Higher Education, Volume I, by Frank Bowles (UNESCO and the International Association of Universities; distributed in the U. S. by Columbia University Press).

Public School Finance: Economics and Politics, by Jesse Burkhead (Syracuse University Press).

State Politics and the Public Schools: An Exploratory Analysis, by Nicholas A. Masters, Robert H. Salisbury, and Thomas H. Eliot (Alfred A. Knopf).

There were no new books published this past year in the Carnegie Series in American Education (McGraw-Hill Book Company), but a number are scheduled to be issued in 1964–65.

Three books in the social sciences resulted from studies started some years ago:

Human Behavior: An Inventory of Scientific Findings, by Bernard Berelson and Gary A. Steiner (Harcourt, Brace & World, Inc.).

The Third Child: A Study in the Prediction of Fertility, by Charles F. Westoff, Robert G. Potter, Jr., and Philip C. Sagi (Princeton University Press).

The Character of Danger: Psychiatric Symptoms in Selected Communities, by Dorothea C. Leighton, John S. Harding, David B. Macklin, Allister M. Macmillan, and Alexander H. Leighton (Basic Books, Inc.).

Appropriations and Payments

During the Year Ended September 30, 1964

This schedule shows all payments made during the fiscal year 1963–64 from appropriations of that year and preceding years. Amounts in the first column marked thus (*) are allocations from funds made available in previous years.

United States

Recipient and/or Purpose	*Appropriated or Allocated During 1963–64*	*Balance from Previous Appropriations*	*Paid During 1963–64*	*Unpaid Balance Carried Forward*
African-American Institute				
Support and scholarship administration (B3114)		$26,666	$13,333	$13,333
American Academy of Arts and Sciences				
Conference on the Negro in America (X2999)	$4,150*		4,150	
Studies of important national problems (X3038)	160,000		55,000	105,000
American Association of Junior Colleges				
Appraisal of counseling in junior colleges (B3152)		54,000	54,000	
Conference of leading junior college administrators on strengthening semiprofessional and technical education (X2999)	2,000		2,000	
American Council of Learned Societies				
General support and fellowships (B3038)		350,000	150,000	200,000
American Council on Education				
Counseling service for returning Peace Corps volunteers (X2999)	1,609		1,609	
Study of correspondence education (B3173)	90,000		50,000	40,000
Support of Africa Liaison Committee (B3115)		164,000	82,000	82,000
To facilitate reorganization and strengthen the new program (B3085)		300,000	100,000	200,000
American Historical Association				
Research on history of American education (X2999)	5,500			5,500
American Institute for Research				
Planning a study of research administrators (X2999)	14,800		14,800	
American Institute of Certified Public Accountants				
Study of professional education for certified public accountants (X2960)		25,000	25,000	
American Institute of Physics				
Awards for teachers of physics (X2914)		20,000	20,000	
American Political Science Association				
Study of Congressional organization (B3178)	230,000		115,000	115,000

Recipient and/or Purpose	*Appropriated or Allocated During 1963–64*	*Balance from Previous Appropriations*	*Paid During 1963–64*	*Unpaid Balance Carried Forward*
Antioch College				
To plan a study of liberal arts colleges (X2999)	$10,000		$10,000	
Association of American Law Schools				
Special projects (B3168)	150,000		30,000	$120,000
Association of American Medical Colleges				
To stimulate research and experimentation in medical education (B3087)		$180,000	60,000	120,000
Association of American Universities				
Expenses of meeting with United Kingdom and other Commonwealth vice-chancellors (X2978)		31,000		31,000
Association of the Bar of the City of New York Fund, Inc.				
Completion of study of modern surveillance technology (B3199)	20,000		20,000	
Association of Governing Boards of Universities and Colleges				
Administrative expenses (B3187)	75,000		37,500	37,500
Association of Research Libraries				
Conferences and consultations with librarians in the United Kingdom (X2999)	10,000		10,000	
Bank Street College of Education				
To plan an Educational Resources Center to improve teaching in Harlem elementary schools (X2999)	12,500		12,500	
Barnard College				
Guidance workshops for college women (B3154)		36,000	18,000	18,000
Beloit College				
Curriculum planning and experimentation (X3028)	61,400		27,400	34,000
Bennett College				
Support of the Saturday School and advanced study for faculty (X3040)	150,000		70,000	80,000
Boston University				
Support of the Center for the Study of Liberal Education for Adults (B3203)	150,000		50,000	100,000
Bowdoin College				
Senior Center program (X3003)	100,000		34,000	66,000
Brookings Institution				
Congressional conferences on the operation of the House of Representatives (X2999)	12,000		12,000	
National service (White House) fellowships (X3055)	225,000			225,000
Research on economics of education (B3180)	315,000		105,000	210,000
Study of selected projects assisted by the International Bank for Reconstruction and Development (B3204)	31,340		31,340	
Support of Conference on the Public Service (B3144)		56,250	18,750	37,500

Recipient and/or Purpose	*Appropriated or Allocated During 1963–64*	*Balance from Previous Appropriations*	*Paid During 1963–64*	*Unpaid Balance Carried Forward*
Brown University				
Junior high school guidance program (B3079)		$21,000	$21,000	
Post-doctoral fellowships in the humanities (B3191)	$96,000		16,000	$80,000
Bryn Mawr College				
Summer institute in France for college students (X2932)		3,300	3,300	
California, University of				
Comparative study of leadership in certain countries of Middle Africa (B2978)		17,000	17,000	
Research and training on social, economic, and political development of transitional societies (B3028)		80,000	40,000	40,000
Research on creativity (B3181)	70,000		35,000	35,000
Research on higher education (B3017)		176,000	121,000	55,000
Research on learning and thought processes (X2970)		77,300	39,000	38,300
Research on political and social development (X3019)	65,000		20,000	45,000
Study of American citizens of Japanese origin (B3189)	100,000		100,000	
Carnegie Endowment for International Peace				
Visiting research scholars (X2880)		21,000	21,000	
Carnegie Institute of Technology				
Program for disadvantaged high school students (B3192)	106,000		53,000	53,000
Research on thought processes (B3005)		35,000	35,000	
Carnegie Institution of Washington				
Fellowships for advanced study at National Physical Laboratory (England) (B3070)		45,000	15,000	30,000
Fellowships in the natural sciences (X2943, B3206)	90,000	150,000	80,000	160,000
Center for Advanced Study in the Behavioral Sciences				
Fellowships and conferences (B3053)		100,000	100,000	
Chicago, University of				
Experiment in teaching reading and writing of English to people of other cultures (B3104)		150,000	50,000	100,000
Exploration of feasibility of large-scale study of education in urban affairs (X2999)	15,000		15,000	
Preparation of materials for an experimental world history course (X2999)	10,000*		10,000	
Research and training program on new nations (B2976)		59,000	59,000	
Research on education and socio-economic development in transitional societies (B3102)		60,000	60,000	
Training of reading consultants (B3151)		132,500	57,500	75,000
Citizens' Research Foundation				
Studies in political finance (X3004)	65,000		29,600	35,400

Recipient and/or Purpose	*Appropriated or Allocated During 1963–64*	*Balance from Previous Appropriations*	*Paid During 1963–64*	*Unpaid Balance Carried Forward*
Columbia University				
Development of materials for Chinese language instruction in high schools (B3107)		$77,000	$39,000	$38,000
Interuniversity program for undergraduate anthropological study abroad (X2999)	$10,500*		10,500	
Research on democratic development in transitional societies (X2938)		19,000	19,000	
Special fellowship program in the Graduate School of Journalism (B3193)	125,000		62,500	62,500
Study of patterns of social and economic development (X2984)		16,000	16,000	
School of Social Work				
Construction of fire escape for the Miller House (X2999)	13,525		13,525	
Teachers College				
Afro-Anglo-American program in teacher education (B3116) (see also page 67)		150,000	75,000	75,000
Study of Negro colleges in the United States (X2989)		100,000	75,000	25,000
Committee for Economic Development				
Program on improvement of management in government (X2989)		500,000	121,000	379,000
Committee on Institutional Cooperation				
Special projects (X2975)		60,000	30,000	30,000
Cornell College				
Curriculum planning and experimentation (X3027)	61,000		26,000	35,000
Cornell University				
Research and graduate training on China and Southeast Asia (B3089)		270,000	90,000	180,000
Council of Graduate Schools in the United States				
General support (X2947)		10,000	10,000	
Council for the Advancement of Science Writing, Inc.				
On-the-job training for science reporters (B3130)		24,000	12,000	12,000
Council on Foreign Relations, Inc.				
Anglo-American conference on southern Africa (X2999)	11,000		11,000	
Research, regional committees, and fellowships (B2997)		100,000	100,000	
Dartmouth College				
New doctoral program in mathematics (B3088)		154,000	58,000	96,000
Research and development in programed teaching materials (B3078)		42,000	42,000	
Research in the field of national security policy (B3072)		50,000	25,000	25,000
Denver, University of				
Interuniversity program in international relations (X3005)	80,000		16,000	64,000

Recipient and/or Purpose	*Appropriated or Allocated During 1963–64*	*Balance from Previous Appropriations*	*Paid During 1963–64*	*Unpaid Balance Carried Forward*
Dillard University				
To strengthen the faculty and the remedial program (X3041)	$150,000		$50,000	$100,000
Editorial Projects for Education, Inc.				
Newsletter for college and university trustees (X3026)	68,500		37,500	31,000
Education and World Affairs				
Support (B3064)		$400,000	100,000	300,000
To establish the Overseas Educational Service (B3149)		240,000	165,000	75,000
Universities Service Center in Hong Kong (B3135)		180,000	70,000	110,000
Education Writers Association				
Seminars for education writers (X2999)	15,000		7,500	7,500
Educational Services Incorporated				
Preparation of supplementary teaching materials in English and mathematics (X2999, B3195)	241,000		241,000	
Summer institutes for Negro college faculty (X3022)	255,000		255,000	
Educational Testing Service				
Experiment in predicting artistic ability (X2971)		38,000	19,000	19,000
Evanston Township High School				
Chinese and Japanese language program (X3010)	75,000		50,000	25,000
Florida Agricultural and Mechanical University				
Advanced study for faculty (X3031)	100,000		40,000	60,000
George Peabody College for Teachers				
Research and training in school-related learning (X3013)	300,000		55,000	245,000
Hampton Institute				
To strengthen the faculty and the remedial program (X3042)	150,000		50,000	100,000
Harvard University				
Fellowships for college teachers to study at Law School (B3131)		100,000	50,000	50,000
Research and development in programed instruction (B3186)	300,000		150,000	150,000
Research on history of liberty in America (X2966)		160,000	40,000	120,000
Research on motivation for achievement (X2999, B3205)	5,000* } 70,500 }		28,500	47,000
Research on thought processes (B3004)		50,000	50,000	
Studies of higher education (X3033)	60,000		15,000	45,000
Studies of role of education in process of modernization (B3101)		75,000	75,000	
Study of Graduate School of Education (B3201)	25,000		25,000	

Recipient and/or Purpose	*Appropriated or Allocated During 1963–64*	*Balance from Previous Appropriations*	*Paid During 1963–64*	*Unpaid Balance Carried Forward*
Harvard University (*continued*)				
Study of large-scale corporate organization in modern society (X2860)		$2,500	$2,500	
Support of John F. Kennedy oral history project (X3025)	$300,000		77,000	$223,000
Indiana University				
International survey of educational development and planning (X3007)	97,500		32,500	65,000
Studies of political development in the new nations (B3075)		35,000	35,000	
Study of the role of the United Nations in political development (X3006)	72,000		24,000	48,000
Institute for College and University Administrators				
Research and training programs in academic administration (B3002)		125,000	75,000	50,000
Institute of International Education				
Consultative service on overseas programs for American undergraduates (X2972)		25,000	15,000	10,000
Support of Council on Higher Education in the American Republics (B3150)		150,000	75,000	75,000
International Schools Services				
Program in Chinese language and civilization at the Taipei American School (X2964)		36,500	20,000	16,500
Program in Japanese language and civilization at the American School in Japan (X2999)	13,500		13,500	
Iowa, State University of				
Experimental program of continuing education for engineers (X3002)	167,000		56,000	111,000
Johns Hopkins University				
New graduate program for adults (X2936)		12,000	12,000	
Research on simulation as a method of instruction (X2944)		40,500	40,500	
Research program of School of Advanced International Studies (B2992)		50,000	50,000	
Study of management in higher education (B3158)		20,000	20,000	
Kansas, University of				
Faculty exchange with University of Costa Rica (B3080)		80,000	30,000	50,000
Summer Russian language program in Finland in cooperation with the University of Colorado (X2973)		44,000	22,000	22,000
Knoxville College				
To improve its educational program (X3029)	150,000		50,000	100,000
Library of Congress				
Microfilming of Chinese journals (X2986)		15,000	15,000	
To establish an Africana Unit (B2973)		41,625	41,625	

Appropriations and Payments—United States

Recipient and/or Purpose	*Appropriated or Allocated During 1963–64*	*Balance from Previous Appropriations*	*Paid During 1963–64*	*Unpaid Balance Carried Forward*
Maryland, University of				
Study of agricultural education in the United States (B3113)		$120,000	$75,000	$45,000
Massachusetts Institute of Technology				
Inter-American program in civil engineering (B3105)		50,000	50,000	
Research and training on politics of transitional societies (B3027)		190,000	95,000	95,000
Research and writing on architectural history (X3032)	$40,000		15,000	25,000
Study of future financing of United Nations activities (X2999)	9,670		9,670	
Michigan, University of				
Experimental program of leadership training for vocational education (X2999)	12,000		12,000	
Research on conflict resolution (X2982)		145,000	75,000	70,000
Research on organizations (X2920)		78,700	78,700	
Research on political modernization of Japan (B3029)		80,000	40,000	40,000
Study of factors influencing economic behavior (B3124)		100,000	100,000	
Study of voting behavior to be conducted by the Survey Research Center (X3039)	165,000		165,000	
Support of Center for the Study of Higher Education (B3108)		275,000	80,000	195,000
Milwaukee Vocational and Adult Schools				
To study the application of new instructional media to technical education (X2999)	11,000*		11,000	
Minnesota, University of				
Program for continuing education of women (B3128)		32,000	32,000	
Modern Language Association of America				
Study of National Defense Education Act foreign language program (B3188)	34,000		34,000	
To strengthen teaching of foreign languages (B3086)		53,000	53,000	
National Academy of Sciences—National Research Council				
Study of the development and utilization of talent (B3167)	225,000		75,000	150,000
National Association of Secondary-School Principals				
Planning an experimental program of teacher induction (X2999)	13,250		13,250	
National Commission on Accrediting				
Study of effects of teacher accreditation on American higher education (X3001)	97,500		97,500	
National Merit Scholarship Corporation				
Research on academically talented students (B3016)		100,000	50,000	50,000

Recipient and/or Purpose	*Appropriated or Allocated During 1963–64*	*Balance from Previous Appropriations*	*Paid During 1963–64*	*Unpaid Balance Carried Forward*
National Opinion Research Center				
Research on women's educational and occupational choices (X2999)	$6,500		$6,500	
Study of individual participation in educational activities (X2999)	12,500		12,500	
National Urban League				
Program of educational motivation and guidance for Negro youth (B3091)		$129,000	43,000	$86,000
New York, The University of the State of				
Study of the use of proficiency tests for certification of language teachers (X2999)	6,500		6,500	
Support of committee on educational leadership (B3177)	200,000		100,000	100,000
New York Institute of Technology				
Development of programed instruction for engineering technician education (B3175)	170,000		83,500	86,500
New York Medical College				
Research on learning problems of preschool children from urban slums (B3196)	150,000		50,000	100,000
New York University				
Accelerated program of graduate training in public administration (B3076)		82,000	57,000	25,000
Research on remedial reading at the Medical Center (X3015)	42,500		21,500	21,000
Newberry Library, The				
Research seminars in collaboration with the Associated Colleges of the Midwest (B3202)	252,250		11,450	240,800
North Carolina, University of				
Incentive graduate fellowships (B3141)		132,000	48,000	84,000
North Carolina State Board of Education				
Establishment of Advancement School (B3166)	500,000		300,000	200,000
Summer school for gifted high school students (B3126)		150,000	75,000	75,000
Northwestern University				
Research and training in international relations (B3137)		150,000	50,000	100,000
Research on intercultural relations (B3077)		150,000	50,000	100,000
Notre Dame, University of				
Study of Catholic elementary and secondary education (B3065, X3036)	46,000	50,000	96,000	
Omaha, Municipal University of				
Scholarships in college business management (X2785)		4,000	4,000	
Oregon, University of				
Preparing of videotapes on transformational grammar (X2999)	9,665		9,665	

Recipient and/or Purpose	*Appropriated or Allocated During 1963–64*	*Balance from Previous Appropriations*	*Paid During 1963–64*	*Unpaid Balance Carried Forward*
Pennsylvania, University of				
Program for continuing education of women and placement office (X3034)	$23,000		$23,000	
Pittsburgh, University of				
Fellowships for mature women in graduate library school (X3035)	30,000		10,000	$20,000
Study of values in a changing environment (B3198)	75,000		25,000	50,000
Portland (Oregon) Public Schools				
Experimental program of in-service training of teachers (B3200)	224,000		36,000	188,000
Princeton University				
Cooperative program for specialized work in exotic languages and related courses for undergraduates from other institutions (B3139)		$100,000	50,000	50,000
Interuniversity program of undergraduate study abroad in international relations (X2965)		31,000	17,000	14,000
National undergraduate program of overseas study in Arabic language and culture (B3068)		45,500	45,500	
Research on government (B3159)		61,000	61,000	
Research on internal warfare (B3125)		100,000	30,000	70,000
Research on theory of games and economic behavior (X2837)		15,000	15,000	
Study of disintegration of the Federation of the West Indies (B3170)	60,000		30,000	30,000
Study of social and psychological factors in fertility to be conducted by Office of Population Research (B3145)		97,500	25,000	72,500
Purdue University				
Experiment in teaching economics in elementary schools (B3143)		66,000	33,000	33,000
Radcliffe College				
Fellowships at Radcliffe Institute for Independent Study (B3018)		60,000	30,000	30,000
Study of economic assistance programs (B3117)		66,000	22,000	44,000
Reed College				
To investigate the feasibility of establishing a graduate program (X2999)	9,350* 650		10,000	
Rhode Island School of Design				
Senior honors program in Italy (X2988)		27,000	15,000	12,000
Rochester, University of				
Canadian studies program (B2994)		15,000	15,000	
Russell Sage Foundation				
Research on the consequences of ability testing in the United States (B3103)		100,000	100,000	

Recipient and/or Purpose	*Appropriated or Allocated During 1963–64*	*Balance from Previous Appropriations*	*Paid During 1963–64*	*Unpaid Balance Carried Forward*
Rutgers—The State University				
Research on learning (B3169)	$275,000		$119,500	$155,500
St. Louis City and County				
White House conference on education (X2999)	4,000		4,000	
San Francisco State College				
Chinese language program for secondary schools (X2934)		$25,000	25,000	
Sarah Lawrence College				
Center for Continuing Education (X2930, B3176)	100,000	20,000	39,000	81,000
Seton Hall University				
Chinese and Japanese language program for secondary school teachers (X2974)		45,000	45,000	
Social Science Research Council				
Administrative expenses (B3184)	350,000		70,000	280,000
Fellowships and grants-in-aid (B2941, B3185)	525,000	150,000	255,000	420,000
Planning and evaluation of research on thought processes (X2884)		21,000	21,000	
Research and conferences on international organizations (B3136)		200,000	100,000	100,000
Study of the growth of democracy in transitional societies (X2929)		31,500	31,500	
Southern California, University of				
Chinese and Japanese language program for secondary schools (B3140)		130,000	65,000	65,000
Stanford University				
Automated laboratory for research on learning and teaching (B3123)		498,200	130,800	367,400
Interuniversity program of undergraduate study in Japan (B3022, B3118)		122,000	61,000	61,000
Interuniversity program of undergraduate study in Taiwan (X2985)		85,000	45,000	40,000
Research conference on learning and the educational process (X2999)	10,000		10,000	
Research on the learning process (B3040)		100,000	50,000	50,000
Study of school boards (B3171)	29,200		29,200	
Stetson University				
Training program for Negro school administrators (X3044)	15,000		15,000	
Syracuse University				
Center for Continuing Education of Women (B3153)		55,000	37,000	18,000
Study of criteria available for evaluation of government programs in the area of human resources (X2999)	9,040		9,040	
Study of decision-making in large metropolitan school systems (B3179)	276,500		100,000	176,500
System Development Corporation				
Research on learning and thought processes (X2961)		60,000	60,000	

Appropriations and Payments—United States

Recipient and/or Purpose	*Appropriated or Allocated During 1963–64*	*Balance from Previous Appropriations*	*Paid During 1963–64*	*Unpaid Balance Carried Forward*
Texas, University of				
Visits by selected United States faculty members to the Autonomous University of Guadalajara (X2999)	$10,000		$10,000	
Thayer Academy				
Teaching of Chinese and Japanese at the secondary school level (B3132, X3017)	46,600	$22,500	69,100	
Tougaloo College				
Advanced study for faculty (X3030)	40,000		25,000	$15,000
Tuskegee Institute				
To strengthen its academic program (B3165)	350,000		100,000	250,000
United Negro College Fund				
General purposes (B3164)	250,000		250,000	
United States National Commission for UNESCO				
Preparation of papers on the UNESCO program (X2999)	3,500		3,500	
Vanderbilt University				
Long-range planning study (X3018)	50,000		50,000	
Research and graduate training on the process of modernization in Latin America (B3090)		90,000	30,000	60,000
Virgin Islands, College of the				
Support of a precollege summer session (X2999)	12,000		12,000	
Washington University				
Secondary school Chinese and Japanese language program (X3009)	110,000		40,000	70,000
Wayne State University				
Training and research on thought processes (X2927)		38,000	38,000	
Wesleyan University				
Support of two experimental colleges within the University (B3127)		150,000	75,000	75,000
Western Reserve University				
Program of philosophical studies with Case Institute of Technology (B3190)	238,000		44,500	193,500
Wisconsin, University of				
Experiment in broadening opportunities for higher education (B3174)	387,000		100,000	287,000
Experimental program of fellowships for women (B3129)		70,000	30,000	40,000
Faculty exchange with The Agricultural and Technical College of North Carolina, North Carolina College at Durham, and Texas Southern University (X3043)	300,000		150,000	150,000
Research and training in history of tropical countries (B3019)		86,000	43,000	43,000
Studies of national security policy (B3073)		50,000	50,000	

Recipient and/or Purpose	*Appropriated or Allocated During 1963–64*	*Balance from Previous Appropriations*	*Paid During 1963–64*	*Unpaid Balance Carried Forward*
Wood County Board of Education, West Virginia				
Experimental counseling and placement service (B3197)	$100,000		$50,000	$50,000
Yale University				
Cooperative talent search for Negro students (X3016)	38,000		38,000	
Directed studies in science (B2971)		$20,000	20,000	
Research on African attitudes and actions (X3008)	60,000		20,000	40,000
Research on learning (X3014)	44,000		14,000	30,000
Studies in the theory of international politics (X2983)		80,000	20,000	60,000
Studies and Programs Administered by the Officers				
Appraisal of new programs of teaching mathematics in schools (X2957)		8,543	4,500	4,043
Conference on accreditation in teacher education (X2957)		2,500	1,193(a) 1,307	
Dissemination of results of Corporation grants (X2827, X3020)	75,000	16,465	18,422	73,043
Distribution of American art teaching materials (B2954, X2976)		83,041	60,700	22,341
Exploration in the field of organization and administration of scientific research (X2957)		1,500	1,500(a)	
Fellowships and travel grants (B3082)		186,557	64,025	122,532
National educational assessment organizational expenses (X3037, X2999)	112,500		24,713	87,787
Study of role of universities in underdeveloped countries (B3030)		7,200	3,527	3,673
Funds Made Available but Remaining Unallocated				
Discretionary Fund (X3053)	75,000	50,000	(b)	75,000
Member colleges of the United Negro College Fund (B3163)	260,000			260,000
Conditional Grant (B3051)		1,500,000	1,500,000(a)	
TOTAL APPROPRIATED OR ALLOCATED	$11,943,999			
Less: Allocated from funds voted in previous years as shown (*) above	50,000			
TOTALS: UNITED STATES	$11,893,999	$12,721,847	$12,424,694	$12,191,152

(a) Written off; included in total payments.

(b) $50,000 allocated to individual institutions included in list.

ADJUSTMENTS OF APPROPRIATIONS	*Not required: written off (listed above)*	*$1,502,693*
	Refunds from grants made in previous years	
	1931–32 Scholarly Publication Funds (B903, B915)	*4,085*
	1956–57 University of Nebraska (X2681)	*13*
	1957–58 University of Michigan (X2756)	*2,743*
	1958–59 The City College (New York) (X2782)	*2,247*
	1959–60 Washington University (X2815)	*2,408*
	1960–61 American Association for the Advancement of Science (B2890)	*2,087*
	1960–61 Association of State Universities and Land-Grant Colleges (X2864)	*3,182*
	1960–61 Indiana University (X2877)	*1,152*
	1960–61 San Francisco State College (X2866)	*835*
	1961–62 Rand Corporation (B3092)	*121*
	1961–62 Syracuse University (B3093)	*6,387*
	1961–62 Yale University (X2915)	*165*
	1962–63 Editorial Projects for Education, Inc. (X2957)	*2,068*
	1962–63 Rand Corporation (X2957)	*286*
		$1,530,472

Recipient and/or Purpose	*Appropriated or Allocated During 1963–64*	*Balance from Previous Appropriations*	*Paid During 1963–64*	*Unpaid Balance Carried Forward*
Alberta, University of				
Exchange of an adult education staff member with the University College of Rhodesia and Nyasaland (X3000)	$2,300*		$2,300	
Columbia University, Teachers College				
Afro-Anglo-American program in teacher education (B3116) (see also page 57)		$150,000	75,000	$75,000
Conference on the role of universities in teacher education in Africa (X3021)	100,000		100,000	
Committee of Vice-Chancellors (Nigeria)				
Support of a secretariat (X3011)	102,000			102,000
East Africa, The University of				
Development of institutes of education (B3207)	130,000		34,000	96,000
Study of entrance standards and degree structure (X3000)	12,000*		12,000	
Ibadan, University of				
Institute of Librarianship (X2993)		74,000	37,000	37,000
Liaison between Institute of Education and teachers colleges (X2979)		40,500	13,500	27,000
International Congress of University Adult Education				
Travel expenses of two American delegates to UNESCO Regional Seminar in Australia (X3000)	5,569*		5,569	
Inter-University Council for Higher Education Overseas (United Kingdom)				
Fellowships (B2965)		20,400	20,400	
University College, Dar es Salaam				
Extramural program (B3109)		70,000		70,000
University College, Nairobi				
Expansion of extramural program (X2859, B3160)		126,000	62,500	63,500
Short courses for mature students (B3110)		28,500	15,000	13,500
University College of Rhodesia and Nyasaland				
Exchange of an adult education staff member with the University of Alberta (X3000)	1,800*		1,800	
Studies and Programs Administered by the Officers				
Travel grants: 108 allocations (X2872, X2820, X2926, X2969, X3012)	27,979* + 170,000	138,733	214,168	94,565

Appropriations and Payments—Commonwealth

Recipient and/or Purpose	*Appropriated or Allocated During 1963–64*	*Balance from Previous Appropriations*	*Paid During 1963–64*	*Unpaid Balance Carried Forward*
Funds Made Available but Remaining Unallocated				
Discretionary Fund	$25,000	$25,000	$3,331(a) (b)	$25,000
Travel Grants (X2926)		5,213		5,213
TOTAL APPROPRIATED OR ALLOCATED	$576,648			
Less: Allocated from funds voted in previous years as shown (*) above	49,648			
TOTALS: COMMONWEALTH	$527,000	$678,346	$596,568	$608,778

(a) Written off; included in total payments.

(b) $21,669 allocated to individual institutions included in list.

ADJUSTMENTS OF APPROPRIATIONS	*Not required: written off (listed above)*	*$3,331*
	Refunds from grants made in previous years	
	1953–54 University of Melbourne (X2557)	*4,848*
	1961–62 Inter-University Council for Higher Education Overseas (X2924)	*23,354*
	1961–62 Provisional Council of the University of East Africa (X2916)	*2,834*
	1961–62 University of Ghana (X2925)	*233*
	1962–63 Association of American Law Schools (X2958)	*2,192*
	1962–63 Inter-University Council for Higher Education Overseas (X2967)	*9,171*
		$45,963

UNITED STATES AND COMMONWEALTH PROGRAMS

SUMMARY OF APPROPRIATIONS AND PAYMENTS

	Appropriated or Allocated During 1963–64	*Balance from Previous Appropriations*	*Paid During 1963–64*	*Unpaid Balance Carried Forward*
FOR PURPOSES IN UNITED STATES	$11,893,999	$12,721,847	$12,424,694	$12,191,152
FOR PURPOSES IN COMMONWEALTH	527,000	678,346	596,568	608,778
	$12,420,999	$13,400,193	$13,021,262	$12,799,930

Grants for Travel
Commonwealth Program

During the Year Ended September 30, 1964

From Australia

John Beveridge
Professor of Pediatrics, University of New South Wales
Teaching of pediatrics, United States and Canada

I. E. Boileau
Senior Lecturer in Town and Country Planning, University of Sydney
Education and practice in city planning, United States and Canada

Derek Broadbent
Associate Professor, Division of Post-Graduate and Extension Studies, University of New South Wales
University radio and television programs, United States and Canada

Clare Campbell-Smith
Associate Librarian, Australian National University
University library buildings and services, United States

A. M. Clark
Chairman, School of Biological Sciences, University of Adelaide
Organization of undergraduate and graduate education in biological sciences, United States

W. M. Corden
Professorial Fellow in Economics, Australian National University
International trade theory and Southeast Asian studies, United States

L. F. Crisp
Professor of Political Science, Australian National University
Teaching of social sciences, United States and Canada

D. W. Crowley
Assistant Director of Adult Education, University of Adelaide
Adult education programs, United States and Canada

R. V. Culver
Head, Department of Chemical Technology, South Australian Institute of Technology
Technical education and research in metallurgy and chemical engineering, United States and Canada

Arthur Delbridge
Senior Lecturer in English, University of Sydney
Linguistic research, United States

A. E. Ferguson
Reader in Electrical Engineering, University of Melbourne
Electrical engineering, United States and Canada

D. A. Kearney
Deputy Registrar, University of Tasmania
University administration, United States and Canada

K. W. Knight
Senior Lecturer in Public Administration, University of Queensland
Federal, state, and local government, United States

Anita Lawrence
Lecturer in Architecture, University of New South Wales
Architectural education and research in acoustics, United States

J. E. Llewelyn
Senior Lecturer in Philosophy, University of New England
Philosophical logic and linguistics, United States and Canada

G. D. Richardson
Principal Librarian and Secretary, Public Library of New South Wales
Public library service and administration, United States and Canada

F. E. Smith
Tutor-Organizer in Adult Education, University of Western Australia
Psycholinguistics, United States

H. S. Williams
Director of Technical Education, Government of Western Australia
Vocational and technical education, United States and Canada

From Basutoland

F. E. Banim
Rector, Pius XII College
Recent discoveries and scholarship relating to early man, East and Southern Africa

From Canada

J. A. McIntyre
Director of Extra-Mural Studies, University of Western Ontario
Consultations on adult education courses, University of Hong Kong

R. T. Renouf
Registrar, Memorial University of Newfoundland
University administration, United States

From Ghana

Denys Morgan
Senior Research Fellow, Institute of Science Education, Kwame Nkrumah University of Science and Technology
New methods of teaching in the sciences, United States

From Hong Kong

Meng Ma
Principal, Language School, University of Hong Kong
Language teaching methods, United States

From Malaysia

Sinnappah Arasaratnam
Lecturer in Indian Studies, University of Malaya, Kuala Lumpur
Asian studies, United States

Peng Yoke Ho
Professor of Chinese Studies, University of Malaya, Kuala Lumpur
Chinese studies, United States and Canada

R. L. Huang
Professor of Chemistry, University of Malaya, Kuala Lumpur
Teaching of science and research in organic chemistry, United States

R. S. Milne
Professor of Political Science, University of Singapore
Teaching of political science and programs of Southeast Asian studies, United States

Freda M. Paul
Senior Lecturer in Pediatrics, University of Singapore
Teaching of pediatrics and problems of mentally retarded children, United States

From New Zealand

R. H. Borland
Research Information Officer, New Zealand Council for Educational Research
Documentation and data retrieval, United States

R. McD. Chapman
Professor of Political Studies, University of Auckland
Teaching of political science and observing an American election, United States and Canada

D. M. C. Dale
Principal, School for the Deaf, Auckland
Education of the deaf, United States

R. H. M. Langer
Professor of Plant Science, Lincoln College
Teaching and research in agronomy and plant physiology, United States

Keith I. D. Maslen
Senior Lecturer in English, University of Otago
Teaching of English literature and research on 18th century printing and publishing, United States and Canada

G. G. Turbott
Registrar, University of Canterbury
University administration, United States and Canada

From Nigeria

Chief A. Y. Eke
Registrar, University of Lagos
University administration, United States and Canada

J. C. Ene
Lecturer in Zoology, University of Ibadan
Teaching and research in entomology, United States and Canada

Margaret Gentle
Adviser, Secondary Education, Federal Ministry of Education
Secondary education, United States and Canada

A. O. Odeleye
Development Officer, University of Ife
University administration, United States and Canada

R. A. Reyment
Professor of Geology, University of Ibadan
Administration of departments of geology and use of advanced mathematical methods in geological research, United States

From Rhodesia

O. J. Lawton
Principal, Goromonzi Secondary School
Teaching of mathematics, United States

From South Africa

H. J. Chapman
Dean of Students, Rhodes University
College admissions procedures and student services, United States and Canada

C. H. Derksen
Professor of Surgery, University of Pretoria
New methods in teaching and practice of surgery, United States

Hertha de Villiers
Lecturer in Anatomy, University of the Witwatersrand
Research methods in population genetics, United States

J. N. de Villiers
Professor of Obstetrics and Gynecology, University of Stellenbosch
Teaching and research in obstetrics and gynecology, United States and Canada

L. O. V. Gandar
Editor, *Rand Daily Mail*
Intergroup relations and the role of the press, United States and Canada

S. I. Malan
Director of Library Services, University of Natal
University library services, United States and Canada

M. W. M. Pope
Professor of Classics, University of Cape Town
Teaching of classical languages and literature and the history of science, United States and Canada

A. M. L. Robinson
Director, South African Public Library, Cape Town
Methods and services of reference libraries, United States

Raymond Sands
Professor of English, University of Natal
Teaching of English language and literature, United States

John Wainwright
Professor of Pathology, University of Natal
Medical education, United States and Canada

From Swaziland

H. A. Esterhuysen
Deputy Director of Education, Mbabane
Administrative organization of public education, United States

From the United States

Merle Curti
Professor of History, University of Wisconsin
Consultations and lectures on American studies, Australia and New Zealand

J. H. Gleason
Professor of History, Pomona College
Travel expenses as exchange professor, University of Natal, South Africa

From the West Indies

Nazeer Ahmad
Lecturer in Soil Science, University of the West Indies, Trinidad
Agricultural conditions and the teaching of soil science, East and West Africa

Institutions Receiving Subsidies to Purchase Color Slides of the Arts of the United States

During the Year Ended September 30, 1964

Readers of previous annual reports will be familiar with the extensive survey of American art that was made under Carnegie auspices. Grants to the University of Georgia resulted in the selection, by a distinguished committee, of art objects in 18 categories to be reproduced in color-slide form for teaching purposes. The slides have been organized into two sets, one of 2,500 slides, the other of 1,500.

During the year under review, one institution, Southern Illinois University, Carbondale, which had purchased 1,500 slides entirely from its own funds, received a subsidy to enable it to increase the set to 2,500, and the following institutions received subsidies of 50 per cent of the purchase price toward buying the sets:

Sets of 2,500 Slides

Amon Carter Museum of Western Art, Fort Worth, Texas
Arkansas Arts Center, Little Rock
Bradley University, Peoria, Illinois
Brandeis University, Waltham, Massachusetts
Brooklyn College, Brooklyn, New York
Catholic University of America, Washington, D. C.
University of Delaware, Newark
Eastern Illinois University, Charleston
Fort Lauderdale Museum of the Arts, Fort Lauderdale, Florida
Fresno State College, Fresno, California
University of Maryland, College Park
University of Minnesota, Morris
National Collection of Fine Arts, Smithsonian Institution, Washington, D. C.
University of Nevada, Southern Regional Division, Las Vegas
New College, Sarasota, Florida
University of North Carolina at Greensboro
Oakland Art Museum, Oakland, California
Ohio Northern University, Ada
The Public Library, Denver, Colorado
St. Ambrose College, Davenport, Iowa
Southern University and Agricultural and Mechanical College, Baton Rouge, Louisiana
University of Southwestern Louisiana, Lafayette
Southwestern at Memphis, Memphis, Tennessee
Stephens College, Columbia, Missouri
Topeka Public Library, Topeka, Kansas
United States Naval Academy, Annapolis, Maryland
West Virginia Wesleyan College, Buckhannon
Western Washington State College, Bellingham
University of Wisconsin, University Extension Division, Madison

Sets of 1,500 Slides

Art Center, South Bend, Indiana
Adrian College, Adrian, Michigan
Agricultural and Technical College of North Carolina, Greensboro
Albany State College, Albany, Georgia
Albright-Knox Art Gallery, Buffalo, New York
Appalachian State Teachers College, Boone, North Carolina
Atlanta School of Art, Atlanta, Georgia
Ball State Teachers College, Muncie, Indiana
Bethel College, Saint Paul, Minnesota
Bloomsburg State College, Bloomsburg, Pennsylvania
Brigham Young University, Provo, Utah
California College of Arts and Crafts, Oakland
California State College, California, Pennsylvania
California Western University, San Diego

Carolina Art Association, Gibbes Art Gallery, Charleston, South Carolina
Carthage College, Kenosha, Wisconsin
Centennial Art Museum, Corpus Christi, Texas
Clarion State College, Clarion, Pennsylvania
Dallas Museum of Fine Arts, Dallas, Texas
Davidson College, Davidson, North Carolina
Dickinson State College, Dickinson, North Dakota
Dillard University, New Orleans, Louisiana
Eastern New Mexico University, Portales
Emory University, Atlanta, Georgia
Flint Institute of Arts, Flint, Michigan
Florida Agricultural and Mechanical University, Tallahassee
Georgia Southern College, Statesboro
Gustavus Adolphus College, St. Peter, Minnesota
Hood College, Frederick, Maryland
College of Idaho, Caldwell
Idaho State University, Pocatello
Indiana Central College, Indianapolis
Jackson State College, Jackson, Mississippi
Juniata College, Huntingdon, Pennsylvania
Knox College, Galesburg, Illinois
Lake Forest College, Lake Forest, Illinois
Langston University, Langston, Oklahoma
Lenoir Rhyne College, Hickory, North Carolina
Los Angeles County Museum, Los Angeles, California
The Maryland Institute, Baltimore
Midland Lutheran College, Fremont, Nebraska
Minneapolis School of Art, Minneapolis, Minnesota
Moravian College, Bethlehem, Pennsylvania
Morgan State College, Baltimore, Maryland
Museum of Art, Science & Industry, Bridgeport, Connecticut
Museum of Fine Arts, Springfield, Massachusetts
Nasson College, Springvale, Maine
College of Notre Dame of Maryland, Baltimore
Oklahoma State University, Stillwater
Olivet College, Olivet, Michigan
Plymouth State College, Plymouth, New Hampshire
Portland State College, Portland, Oregon
Providence College, Providence, Rhode Island
Roswell Museum and Art Center, Roswell, New Mexico
St. Andrews Presbyterian College, Laurinburg, North Carolina
St. Augustine's College, Raleigh, North Carolina
College of St. Catherine, St. Paul, Minnesota
Sheldon Swope Art Gallery, Terre Haute, Indiana
Slippery Rock State College, Slippery Rock, Pennsylvania
Sonoma State College, Cotati, California
University of the South, Sewanee, Tennessee
Southern Connecticut State College, New Haven
University of Southern Mississippi, Hattiesburg
Southwestern University, Georgetown, Texas
Stanislaus State College, Turlock, California
State University College, Brockport, New York
State University College, Fredonia, New York
Tennessee Agricultural and Industrial State University, Nashville
Tougaloo College, Tougaloo, Mississippi
United States Air Force Academy, USAF Academy, Colorado
Valdosta State College, Valdosta, Georgia
University of Vermont, Burlington
Washington College, Chestertown, Maryland
West Georgia College, Carrollton

The Treasurer's Report

Statements of the Corporation's assets and liabilities at September 30, 1964, its income and expenditures for the year ended on that date, and the securities owned at the year end with their book and market values appear on pages 80 through 91. These statements were audited by the independent public accounting firm of Price Waterhouse & Co. The accountants' opinion that the statements present fairly the Corporation's financial position and its income and expenses and appropriations appears on page 79.

The following comments are intended to highlight and supplement this information.

Assets

During the year the Corporation's assets at book value increased by $3,733,526. This increase was realized entirely by the reinvestment of net profits on securities that were sold.

The Corporation's Capital Fund at book is $221,878,814. It comprises the original endowment fund of $135,336,869 plus accumulated net realized gains to date of $86,541,945. Valuing the assets at market prices on September 30, 1964, the Capital Fund would be increased by $98,051,737 of unrealized gains making a total of $319,930,551 in assets, which is an increase of 136 per cent in the original endowment.

The accumulated net gain realized is set aside in the Capital Gains Account since, in counsel's opinion, it is not income and consequently not available for appropriation.

Other Assets

Cash and marketable securities at book value make up more than 99 per cent of the Corporation's assets. The remainder is mostly from bequests under the wills of Mr. and Mrs. Carnegie.

CARNEGIE HOUSE PROPERTIES

The Carnegie House properties, consisting of the land and two buildings at 2 East 91st Street and 9 East 90th Street, New York City, were bequeathed to the Corporation by Mrs. Carnegie. They are carried on the Corporation's books at the nominal value of $1. The properties are leased rent-free until September 30, 1970, to Columbia University and occupied by the New York School of Social Work, a graduate school of the University.

HOME TRUST COMPANY

Home Trust Company was organized in 1901 in New Jersey by Mr. Carnegie to care for various of his financial interests after he retired. It became trustee of certain trusts set up by him during his lifetime to pay pensions to various people on his private pension list. It acted as executor of Mr. Carnegie's estate and is still trustee of certain trusts established by his will. It has never engaged in general banking business nor accepted deposits, and it accepts no new business. Its activities have steadily declined as recipients of pensions and annuities have died.

The Corporation owns all the capital stock (except directors' qualifying shares) of Home Trust Company, which is carried in the Corporation accounts at $334,195, the appraised value when acquired in 1925 from Mr. Carnegie's estate. The Corporation also owns the

reversionary interests in various trusts established by Mr. Carnegie and administered by Home Trust Company. During the year the Carnegie Hall Pension Trust was terminated upon the death of the last eligible annuitant. The present unrecovered balance of the reversionary interest is $448,747.

ADVANCES TO THE CARNEGIE FOUNDATION FOR THE ADVANCEMENT OF TEACHING

To enable The Carnegie Foundation for the Advancement of Teaching to carry out its obligations for payment of free pensions to retired college and university teachers and their widows, the Corporation is committed to advance up to $15,000,000 without interest to the Foundation. Through September 30, 1964, the Corporation had advanced $14,560,000 from income to the Foundation. At the present time the Corporation has a reserve of $440,001 set aside from past income to meet the balance of its commitment.

These advances are to be repaid by the Foundation from time to time in the future from whatever income it has available after payment of pensions and other expenditures. The present value of the advances depends, of course, on the rate of repayment. Because there is not now any way to determine their present value, the advances are carried on the Corporation's books at the nominal value of $1.

Investment Transactions During the Year

The proceeds from redemptions, maturities, sale of government bonds, and some low interest corporate bonds were used to purchase higher interest corporate bonds. A considerable number of common stocks were sold and the proceeds, including the net realized gains, were reinvested in other common stocks considered more desirable. These changes materially increased the income.

A summary showing the changes in investments, the market value at the year end, and the profit or loss on securities sold during the year follows:

	Sept. 30, 1963	*September 30, 1964*		
	Book Amount	*Book Amount*	*Approximate Market Quotation*	*Gain or (Loss) On Securities Sold During The Year*
Bonds				
U. S. Government	$23,867,921	$20,262,984	$20,295,438	($27,554)
Other	90,441,307	94,318,086	92,908,818	(158,765)
Mortgages	16,462,757	15,645,866	15,749,489	19,821
Stocks				
Preferred	4,253,425	4,253,425	3,933,857	
Common	94,253,756	98,645,403	198,289,899	4,151,504
	$229,279,166	$233,125,764	$331,177,501	$3,985,006

In addition to the above, $1,000,000 of temporary cash funds was deposited in a savings account.

Income

The income from securities for the year 1964 was $12,236,522, the highest in Corporation history and an increase of $592,694 over 1963. Security income represents a return of 5.23 per cent on cost of securities held at the year end, or a yield of 3.68 per cent on market value. Other income included $48,243 received as dividends on annuity policies. The Corporation purchased the annuities from Teachers Insurance and Annuity Association to supplement the allowances for retired college professors provided by The Carnegie Foundation for the Advancement of Teaching. In addition, interest income of $18,402 was received from Home Trust Company from trusts administered by them.

Appropriations

For both the United States and Commonwealth programs a total of $12,420,999 was appropriated in the fiscal year 1964. Detail of these appropriations is given at the end of the secretary's report on pages 54 through 68.

The amount that may be used for the Commonwealth program is 7.4 per cent of security income after deducting investment service and custody fees.

Total cash income from all sources was $12,303,167; to this was added $1,576,435 of appropriations refunded or not needed and $312,889 unexpended income brought forward from last year, making a total for expenditure of $14,192,491. After deducting operating expenses of $874,351 and providing for $400,000 of appropriations authorized in previous years, there remained a balance of $12,918,140 available for current appropriation. Of this amount $11,893,999 was appropriated for purposes in the United States and $527,000 for the Commonwealth program. At the year end there was unappropriated income of $497,141; out of this balance $389,743 may be spent for the Commonwealth program in future years.

A comparative statement of income and expenses and appropriations for 1962–63 and 1963–64 appears on page 82.

OPINION OF INDEPENDENT ACCOUNTANTS

To the Board of Trustees of
Carnegie Corporation of New York

In our opinion, the statements appearing on pages 80 through 91 present fairly the financial position of Carnegie Corporation of New York at September 30, 1964 and its income, expenses and appropriations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, including confirmation of the cash and securities owned at September 30, 1964 by direct correspondence with depositaries.

New York, N. Y.
October 22, 1964

PRICE WATERHOUSE & CO.

CARNEGIE CORPORATION OF NEW YORK

EXHIBIT I

BALANCE SHEET

September 30, 1964

Assets

Securities at book amount (SCHEDULE A and NOTE 1)		
Bonds		
U. S. Government	$20,262,984	
Other	94,318,086	
Mortgages (FHA and VA)	15,645,866	
Stocks		
Preferred	4,253,425	
Common	98,645,403	
Total (indicated market value $331,177,501)		$233,125,764
Cash (including $1,000,000 in savings bank)		1,703,833
Miscellaneous receivables and deposits		3,345
Other Assets (NOTE 2)		
Reversionary interests	$448,747	
Home Trust Co., capital stock	334,195	
Items at nominal value	2	
		782,944
		$235,615,886

NOTES 1. Investments in securities are generally carried at cost if purchased and at quoted market value at dates of receipt if acquired by gift.

2. See pages 76–77.

CARNEGIE CORPORATION OF NEW YORK

EXHIBIT I

BALANCE SHEET

September 30, 1964

Funds, Reserves, and Liabilities

Capital Fund			
Endowment		$125,000,000	
Legacies		10,336,869	
Capital gains (NOTE 2)			
Balance at beginning of year	$82,568,806		
Add: Profit on sale of securities	3,985,006		
	$86,553,812		
Less: Loss on recovery of reversionary interests	11,867		
Balance at end of year		86,541,945	
			$221,878,814
Reserve for pensions, Carnegie Foundation (NOTE 2)			440,001
	Commonwealth	*United States*	
Appropriations Payable (see page 68)	$608,778	$12,191,152	12,799,930
Unappropriated Income (EXHIBIT II)			497,141
			$235,615,886

CARNEGIE CORPORATION OF NEW YORK

EXHIBIT II

Comparative Statement of Income, Expenses and Appropriations

	Year ended September 30		*+ Increase — Decrease*
	1964	*1963*	
Income			
Dividends and interest on securities (SCHEDULE A)	$12,236,522	$11,643,828	+ $592,694
Other income*	66,645	141,891	— 75,246
	$12,303,167	$11,785,719	+ $517,448
Less: Investment service and custody fee	105,629	97,753	+ 7,876
	$12,197,538	$11,687,966	+ $509,572
Application of income			
Administrative expenses (SCHEDULE B)	768,722	758,809	+ 9,913
Net income	$11,428,816	$10,929,157	+ $499,659
Professors' annuities premium payments		5,585	— 5,585
Income available for appropriation	$11,428,816	$10,923,572	+ $505,244
Appropriations			
Authorized during current year (see page 68)	$12,420,999	$10,638,589	+$1,782,410
Authorized during prior years	400,000	525,000	— 125,000
	$12,820,999	$11,163,589	+$1,657,410
Less: Refunded or not needed	1,576,435	89,463	+ 1,486,972
Net funds appropriated	$11,244,564	$11,074,126	+ $170,438
Excess of income or (appropriations) for the year	$184,252	($150,554)	+ $334,806
Balance, unappropriated income beginning of fiscal year	312,889	463,443	— 150,554
	$497,141	$312,889	+ $184,252
Deduct: Appropriations authorized payable out of future income		400,000	— 400,000
Unappropriated income or (appropriations in excess of income payable out of future income)	$497,141	($87,111)	+ $584,252

* See page 78.

CARNEGIE CORPORATION OF NEW YORK

SCHEDULE A

Summary of Securities Held
September 30, 1964
and Income for the Year

	Book Amount	*Approximate Market Quotations*	*+ Greater or − Less than Book*	*Income*
Bonds				
U. S. Government	$20,262,984	$20,295,438	+ $32,454	$1,072,326
Other	94,318,086	92,908,818	− 1,409,268	4,113,266
Totals	$114,581,070	$113,204,256	− $1,376,814	$5,185,592
Mortgages (FHA and VA)	15,645,866	15,749,489	+ 103,623	739,542
Stocks				
Preferred	4,253,425	3,933,857	− 319,568	181,105
Common	98,645,403	198,289,899	+ 99,644,496	6,130,283
Totals	$233,125,764	$331,177,501	+$98,051,737	$12,236,522

Statement of Securities
As of September 30, 1964

Bonds	*Par*	*Book Amount*	*Approximate Market Quotations*
U. S. Government			
Treasury Bonds			
4⅛s, Nov. 15, 1973	$4,740,000	$4,707,796	$4,720,746
4s, Aug. 15, 1971	2,000,000	2,016,250	1,988,750
Treasury Bills			
Oct. 1, 1964	1,856,000	1,853,829	1,853,829
Nov. 12, 1964	338,000	335,653	335,653
Twelve Federal Land Banks			
4⅝s, July 15, 1969	250,000	252,852	255,000
4⅜s, Mar. 20, 1969	1,210,000	1,197,297	1,216,050
4¼s, July 20, 1966	1,500,000	1,500,000	1,503,750
4¼s, Mar. 20, 1968	1,500,000	1,493,438	1,505,625
Federal National Mortgage Association			
Deb. 5⅛s, Ser. SM-1972-A, Feb. 10, 1972	1,000,000	996,250	1,045,000
Deb. 4⅝s, Ser. SM-1970-A, April 10, 1970	1,000,000	1,001,250	1,017,500
Deb. 4½s, Ser. SM-1977-A, Feb. 10, 1977	1,800,000	1,876,016	1,827,000
Deb. 4⅜s, Ser. SM-1969-A, April 10, 1969	1,382,000	1,398,853	1,388,910
Deb. 4⅛s, Ser. SM-1970-B, Sept. 10, 1970	1,650,000	1,633,500	1,637,625
Totals		$20,262,984	$20,295,438

Statement of Securities—*continued*

Bonds	*Par*	*Book Amount*	*Approximate Market Quotations*
Alabama Power Co.			
1st 5s, April 1, 1990	$507,000	$503,583	$523,478
Alberta (Canada), Province of			
Treasury 4.40s, Feb. 8, 1968 (Registered)	1,000,000	1,000,000	995,000
Allied Chemical & Dye Corp.			
Deb. 3½s, April 1, 1978 (Registered)	1,100,000	1,089,000	1,014,750
Aluminum Co. of Canada, Ltd.			
S. F. Deb. 4½s, April 1, 1980	975,000	996,977	977,438
Amax Realty Corp.			
Notes 4.85s, June 1, 1986 (Registered)	456,000	456,000	456,000
American Can Co.			
Deb. 4¾s, July 15, 1990 (Registered)	1,000,000	1,008,000	1,025,000
American Telephone & Telegraph Co.			
Deb. 4⅜s, April 1, 1985 (Registered)	1,000,000	1,012,140	1,002,500
Deb. 3⅞s, July 1, 1990 (Registered)	1,000,000	1,027,500	910,000
Deb. 3⅜s, Dec. 1, 1973 (Registered)	1,037,000	1,051,784	957,929
Deb. 2¾s, Feb. 1, 1971 (Registered)	1,000,000	1,007,970	912,500
Associates Investment Co.			
Deb. 5¼s, Aug. 1, 1977	619,000	645,307	656,140
Bell Telephone Co. of Canada, (The)			
1st 4⅞s, May 1, 1988 (Registered)	1,500,000	1,494,600	1,496,250
Bethlehem Steel Corp.			
Cons. S. F. 2¾s, Ser. I, July 15, 1970	275,000	279,813	250,938
Carolina, Clinchfield & Ohio Ry. Co.			
1st 4s, Ser. A, Sept. 1, 1965	174,000	178,475	173,348
Chicago, Burlington & Quincy R.R. Co.			
Conditional Sale Agreement 3⅜s,			
Ser. B, May 1, 1967	303,594	295,761	299,040
C.I.T. Financial Corp.			
Deb. 4¾s, July 1, 1970 (Registered)	2,000,000	1,978,750	2,035,000
Deb. 3⅝s, Sept. 1, 1970	500,000	492,875	475,625
Columbia Gas System, Inc.			
Deb. 3⅞s, Ser. F, April 1, 1981 (Registered)	750,000	748,164	683,438
Commercial Credit Co.			
Notes 4¾s, Jan. 15, 1982 (Registered)	2,000,000	2,000,000	2,010,000
Consolidated Edision Co. of New York, Inc.			
1st & Ref. 5s, Ser. N, Oct. 1, 1987			
(Registered)	1,000,000	1,007,770	1,052,500
1st & Ref. 4¾s, Ser. R, June 1, 1990			
(Registered)	1,000,000	1,007,990	1,027,500
Consolidated Natural Gas Co.			
Deb. 5s, Feb. 1, 1985	1,000,000	1,008,875	1,042,500
Consumers Power Co.			
1st 4¾s, Oct. 1, 1987	295,000	296,885	302,375
Deere & Co.			
Deb. 2¾s, April 1, 1965	306,000	312,120	305,809

Bonds	*Par*	*Book Amount*	*Approximate Market Quotations*
Deere (John), Credit Co.			
Deb. 4⅞s, Ser. A, Oct. 31, 1985 (Registered)	$1,000,000	$990,000	$1,010,000
Deering Milliken, Inc.			
Notes 4.55s, June 1, 1988 (Registered)	881,000	881,000	876,595
Detroit Edison Co.			
Gen. & Ref. 4⅞s, Ser. P, Aug. 15, 1987 (Registered)	1,000,000	1,000,000	1,032,500
Duquesne Light Co.			
S. F. Deb. 5s, Mar. 1, 2010	915,000	923,437	960,750
Erie Mining Co.			
1st 4½s, Ser. B, July 1, 1983 (Registered)	1,810,000	1,757,293	1,782,850
Florida Power Corp.			
1st 3⅞s, July 1, 1986	1,015,000	1,029,600	926,188
Ford Motor Co.			
Promissory Notes 4s, Nov. 1, 1976 (Registered)	2,157,000	2,157,000	2,070,720
Ford Motor Credit Co.			
Notes 4¾s, Mar. 1, 1979 (Registered)	2,000,000	2,000,000	2,000,000
Four Corners Pipe Line, Inc.			
Notes 5s, Sept. 1, 1982 (Registered)	667,000	667,000	702,018
General Electric Credit Corp.			
Notes 4¾s, Nov. 1, 1987 (Registered)	1,000,000	1,000,000	1,000,000
Promissory Notes 4½s, Dec. 31, 1966 (Registered)	2,000,000	2,000,000	2,002,500
General Motors Acceptance Corp.			
Deb. 5s, Mar. 15, 1981	775,000	771,125	810,844
Deb. 3⅝s, Sept. 1, 1975	600,000	594,500	554,250
Goodrich Co., B. F.			
Promissory Notes 3¼s, Sept. 1, 1977 (Registered)	1,425,000	1,425,000	1,271,813
Gulf States Utilities Co.			
1st 4⅞s, July 1, 1990	1,000,000	1,008,670	1,037,500
Howe Sound Realty Corp.			
Notes 4.85s, June 1, 1986 (Registered)	456,000	456,000	456,000
Indiana & Michigan Electric Co.			
S. F. Deb. 5⅛s, June 1, 1986	500,000	508,860	526,250
Industrial Acceptance Corp., Ltd.			
S. F. Deb. 5¼s, Ser. Z, Oct. 1, 1982 (Registered)	1,000,000	1,000,000	987,500
International Bank for Reconstruction & Development			
4¾s, Nov. 1, 1980 (Registered)	500,000	498,263	516,250
4½s, Dec. 1, 1973 (Registered)	964,000	971,049	971,230
4¼s, May 1, 1978 (Registered)	1,000,000	985,000	985,000
3¾s, May 15, 1968	500,000	476,797	492,500
3s, July 15, 1972	766,000	766,000	698,975

Statement of Securities—*continued*

Bonds	*Par*	*Book Amount*	*Approximate Market Quotations*
United Kingdom Guaranteed			
4¾s (Colony of Southern Rhodesia)			
May 1, 1968–71 (Registered)	$2,000,000	$1,931,450	$1,997,150
5s (Federal Power Board Rhodesia & Nyasaland)			
June 1, 1967 (Registered)	300,000	296,040	303,720
December 1, 1967 (Registered)	200,000	197,190	202,900
5¼s (Federation of Nigeria)			
April 1, 1967–71 (Registered)	1,500,000	1,500,000	1,529,760
International Harvester Credit Corp.			
Deb. 4⅝s, Ser. A, Nov. 1, 1979	1,000,000	995,000	1,015,000
Louisiana Power & Light Co.			
1st 5s, April 1, 1990	1,000,000	979,250	1,042,500
Louisville & Nashville R.R. Co.			
1st & Ref. 3⅜s, Ser. I, April 1, 2003	965,000	962,875	694,800
Missouri Pacific R.R. Co.			
Conditional Sale Agreement			
5.70s, Ser. A, Nov. 1, 1974	920,830	920,830	955,361
Montgomery Ward Credit Corp.			
Deb. 4⅞s, July 1, 1980	1,000,000	995,000	1,020,000
New York Telephone Co.			
Ref. 4½s, Ser. J, May 15, 1991			
(Registered)	1,000,000	991,250	997,500
Northern States Power Co.			
1st 5s, Dec. 1, 1990	500,000	506,125	520,000
Pacific Gas & Electric Co.			
1st & Ref. 3⅜s, Ser. Y, Dec. 1, 1987			
(Registered)	1,000,000	1,027,500	840,000
Pacific Telephone & Telegraph Co.			
Deb. 5⅛s, Feb. 1, 1993	1,000,000	1,011,980	1,040,000
Deb. 4⅜s, Aug. 15, 1988	1,000,000	1,025,300	1,000,000
Philadelphia Electric Co.			
1st & Ref. 2¾s, Nov. 1, 1967	273,000	274,883	260,033
Potomac Electric Power Co.			
1st 5s, Dec. 15, 1995	1,250,000	1,260,338	1,315,625
S. F. Deb. 4⅝s, Feb. 15, 1982 (Registered)	474,000	455,040	479,925
Public Service Co. of Indiana, Inc.			
1st 4⅞s, Ser. L, Oct. 1, 1987			
(Registered)	1,000,000	1,000,000	1,037,500
1st 3⅛s, Ser. F, Sept. 1, 1975	245,000	251,027	216,519
Public Service Electric & Gas Co.			
Deb. 4⅝s, Mar. 1, 1977	469,000	454,930	480,725
Deb. 3½s, Oct. 1, 1975	1,000,000	1,027,500	915,000
Quebec Hydro-electric Commission			
Deb. 5s, Ser. X, July 15, 1984	1,000,000	1,000,000	1,037,500
Sears Roebuck Acceptance Corp.			
Sub. Deb. 4⅝s, May 1, 1977	1,400,000	1,386,000	1,407,000

Bonds	*Par*	*Book Amount*	*Approximate Market Quotations*
Sears, Roebuck & Co.			
S. F. 4¾s, Aug. 1, 1983	$1,500,000	$1,500,000	$1,552,500
Shell Caribbean Petroleum Co.			
4s, Oct. 1, 1968 (Registered)	2,640,000	2,640,000	2,587,200
Shell Funding Corp.			
Collateral Trust Notes 4½s, Ser. A, June 1, 1983 (Registered)	1,000,000	1,000,000	995,000
Simpsons-Sears Acceptance Co., Ltd.			
Deb. 5⅞s, Ser. C, Feb. 1, 1980 (Registered)	1,000,000	1,000,000	1,037,500
Southern Bell Telephone & Telegraph Co.			
Deb. 4s, Oct. 1, 1983	1,000,000	1,005,450	940,000
Southern Electric Generating Co.			
1st 5¼s, Ser. 1960, June 1, 1992	931,000	938,215	975,223
Southern Pacific Co.			
Eq. Tr. Ctfs. 3⅝s, Ser. UU, Aug. 1, 1967–71	1,000,000	1,007,684	965,640
Southern Railway Co.			
1st Cons. 5s, July 1, 1994	1,000,000	1,333,176	1,057,500
Superior Oil Co.			
Deb. 3¾s, July 1, 1981	1,000,000	1,000,000	935,000
Tennessee Gas Transmission Co.			
Deb. 5s, Sept. 1, 1982 (Registered)	1,000,000	1,012,500	997,500
Deb. 4½s, Jan. 1, 1977 (Registered)	1,000,000	1,022,701	970,000
Deb. 4¼s, Sept. 1, 1974 (Registered)	935,000	991,147	881,238
Texas Eastern Transmission Corp.			
1st 5⅝s, Sept. 1, 1977 (Registered)	410,000	418,601	423,325
1st 4⅞s, April 1, 1979 (Registered)	913,000	888,178	917,565
Texas Gas Transmission Corp.			
Deb. 5s, June 1, 1982	1,000,000	1,000,188	1,000,000
Texas Gulf Sulphur Co.			
Promissory Notes 4.70s, April 1, 1989 (Registered)	1,000,000	1,000,000	1,000,000
Tidewater Oil Co.			
S. F. Deb. 3½s, April 1, 1986	1,000,000	1,000,000	867,500
Triangle Facilities, Inc.			
Notes 4¾s, Dec. 1, 1987 (Registered)	970,000	970,000	979,700
Trunkline Gas Co.			
1st 3⅝s, Nov. 1, 1975 (Registered)	751,000	751,000	704,063
Union Carbide Corp.			
S. F. Notes 4½s, Dec. 31, 1996 (Registered)	2,671,233	2,671,233	2,664,555
United Air Lines, Inc.			
Notes 5s, Feb. 1, 1984 (Registered)	2,000,000	2,000,000	2,000,000
U. S. Plywood Corp.			
S. F. Notes 4.95s, Aug. 1, 1988 (Registered)	1,500,000	1,504,297	1,500,000

Statement of Securities—*continued*

Bonds	*Par*	*Book Amount*	*Approximate Market Quotations*
U. S. Steel Corp. S. F. Deb. 4s, July 15, 1983	$500,000	$502,500	$473,750
Utah Oil Refining Co. Promissory Notes 3.05s, Mar. 1, 1970 (Registered)	600,000	600,000	556,500
West Penn Power Co. 1st 3½s, Ser. I, Jan. 1, 1966	325,000	344,775	321,750
Woolworth Co., F. W. Promissory Notes 5s, Dec. 1, 1982 (Registered)	1,000,000	1,000,000	1,040,000
Totals		$94,318,086	$92,908,818
Totals, Bonds		$114,581,070	$113,204,256

Mortgages	*Par*	*Book Amount*	*Approximate Market Quotations*
Abilene AFB Housing, Inc. 4% Mortgage Notes, 1964–82	$5,241,270	$5,315,228	$5,044,722
Instlcorp, Inc. Collateral Trust Notes			
Ser. A-16, 5%, Dec. 31, 1991 (Registered)	2,999,063	2,899,051	3,029,054
Ser. A-21, 5%, Dec. 31, 1991 (Registered)	1,635,198	1,577,958	1,643,374
Ser. A-23, 4.96%, Dec. 31, 1991 (Registered)	1,265,235	1,244,734	1,271,561
Ser. A-19, 4.94%, Dec. 31, 1991 (Registered)	2,410,199	2,330,449	2,422,250
Ser. A-25, 4.64%, Dec. 31, 1991 (Registered)	642,910	615,720	633,266
Ser. A-29, 5.25%, June 30, 1992 (Registered)	896,124	895,775	918,527
Ser. A-31, 4.5%, June 30, 1992 (Registered)	806,908	766,951	786,735
Totals, Mortgages		$15,645,866	$15,749,489

Preferred Stocks	*Shares*	*Book Amount*	*Approximate Market Quotations*
Appalachian Power Co., (cum.) 4½%	1,859	$212,151	$179,394
Atchison, Topeka & Santa Fe Ry. Co., (non-cum.) 5%	30,000	271,487	326,250
Carrier Corp., (cum.) 4½%	5,700	302,091	282,150
Connecticut Light & Power Co., (cum.) $2	5,500	295,354	236,500
Dayton Power & Light Co., (cum.) "A," 3.75%	440	44,000	36,850
Monongahela Power Co., (cum.) 4.40%	2,750	306,795	263,313
New York State Electric & Gas Corp., (cum.) 3.75%	2,700	265,725	221,400

Preferred Stocks	*Shares*	*Book Amount*	*Approximate Market Quotations*
Niagara Mohawk Power Corp.,			
(cum.) 3.90%	2,140	$222,560	$178,690
(cum.) 3.60%	2,300	236,555	175,950
Northern States Power Co., (cum.) $3.60	1,130	116,108	87,010
Ohio Power Co., (cum.) 4½%	1,300	148,830	127,400
Pacific Gas & Electric Co.,			
(cum.) 1st 5% Redeemable	21,000	552,493	556,500
Public Service Co. of Colorado, (cum.) 4¼%	1,400	140,000	129,325
Public Service Co. of Oklahoma, (cum.) 4%	1,500	154,125	128,250
South Carolina Electric & Gas Co., (cum.) 5%	3,300	173,468	171,600
Southern California Edison Co., (cum.) 4.32%	6,200	178,350	144,150
Union Electric Co., (cum.) $4.50	1,300	148,782	130,000
U. S. Steel Corp., (cum.) 7%	3,500	484,551	559,125
Totals, Preferred Stocks		$4,253,425	$3,933,857

Common Stocks	*Shares*	*Book Amount*	*Approximate Market Quotations*
Aluminium, Ltd.	28,000	$966,842	$857,500
American Cyanamid Co.	24,500	1,405,863	1,470,000
American Metal Climax, Inc.	84,300	2,995,705	3,751,350
American Natural Gas Co.	44,500	2,032,976	1,991,375
American Smelting & Refining Co.	54,200	1,671,491	3,008,100
American Telephone & Telegraph Co.	131,040	3,281,289	9,025,380
Armco Steel Corp.	36,000	2,659,070	2,619,000
Bankers Trust Co. (New York)	27,777	687,343	1,805,505
Beneficial Finance Co.	23,595	646,919	1,280,029
Bethlehem Steel Corp.	91,000	3,249,861	3,719,625
Burlington Industries, Inc.	66,400	1,848,479	3,502,600
Carrier Corp.	6,600	379,326	383,625
Caterpillar Tractor Co.	124,800	361,083	4,430,400
Celanese Corp. of America	52,500	2,601,058	3,609,375
Central & South West Corp.	21,500	307,769	1,088,438
Champion Papers Inc.	5,700	172,279	180,263
Chase Manhattan Bank	15,000	943,213	1,192,500
Christiana Securities Co.	9,200	524,784	2,300,000
Coca-Cola Co.	13,000	852,742	1,755,000
Consolidated Edison Co. of New York, Inc.	36,075	1,852,085	3,449,672
Continental Illinois National Bank			
& Trust Co. (Chicago)	24,800	633,061	1,134,600
Continental Oil Co.	25,000	522,282	1,846,875
Crown Zellerbach Corp.	36,600	1,411,388	2,159,400
Deere & Co.	76,000	2,744,420	3,230,000
Du Pont de Nemours & Co., E. I.	7,500	1,204,323	2,041,875
Eastern Gas & Fuel Associates	13,296	490,669	1,010,496
Eastman Kodak Co.	17,535	676,913	2,345,306
Falconbridge Nickel Mines, Ltd.	26,000	1,471,853	1,880,788
Farbenfabriken Bayer A. G., A.D.R.			
(50 DM shs.)	17,776	1,555,163	1,315,424
First National City Bank (New York)	15,242	1,297,000	1,920,492
Florida Power & Light Co.	36,800	433,887	3,063,600
Ford Motor Co.	102,600	3,847,682	5,937,975

Statement of Securities—*continued*

Common Stocks	*Shares*	*Book Amount*	*Approximate Market Quotations*
General Electric Co.	31,500	$343,067	$2,815,313
General Motors Corp.	116,083	3,147,493	11,521,238
Goodrich Co., B. F.	31,500	1,127,578	1,811,250
Goodyear Tire & Rubber Co.	38,950	718,756	1,830,650
Grant Co., W. T.	57,000	1,801,907	1,973,625
Gulf Oil Corp.	53,174	819,705	3,157,206
Home Insurance Co.	14,710	841,700	1,014,990
Inland Steel Co.	26,500	476,262	1,305,125
International Business Machines Corp.	3,892	357,774	1,698,858
International Nickel Co. of Canada, Ltd.	25,000	1,021,625	2,134,375
International Paper Co.	23,300	807,675	844,625
Kaiser Aluminum & Chemical Corp.	62,400	1,229,680	2,051,400
Kennecott Copper Corp.	25,200	1,307,492	2,321,550
Kroger Co.	45,700	1,465,406	1,565,225
Louisiana Land & Exploration Co.	38,000	859,955	3,363,000
Marine Midland Corp.	35,000	1,009,402	1,281,875
Monsanto Co.	16,561	442,783	1,407,685
National Gypsum Co.	23,224	1,078,914	1,013,147
Newmont Mining Corp.	39,013	1,147,863	1,784,845
Norfolk & Western Ry. Co.	20,000	1,354,071	2,700,000
Northwest Bancorporation	14,850	360,771	694,238
Pacific Gas & Electric Co.	90,000	1,247,996	2,913,750
Panhandle Eastern Pipe Line Co.	38,643	806,147	3,033,476
Phelps Dodge Corp.	59,200	2,045,150	4,314,200
Philips N.V. (25 florin shs.)	58,469	1,568,724	2,594,562
Pittsburgh Plate Glass Co.	12,484	908,056	886,364
Public Service Electric & Gas Co.	119,400	2,573,164	4,641,675
Revere Copper & Brass, Inc.	24,000	1,102,049	1,074,000
Royal Dutch Petroleum Co. (20 guilder shs.)	60,000	1,953,686	2,775,000
Sears, Roebuck & Co.	29,400	1,006,885	3,586,800
Singer Co.	42,000	2,147,380	3,727,500
Smith, Kline & French Labs	9,500	650,264	577,125
Socony Mobil Oil Co., Inc.	60,300	1,947,805	5,117,963
Southern California Edison Co.	46,800	675,320	1,597,050
Southern Co.	20,000	745,390	1,290,000
Southwestern Public Service Co.	50,000	686,997	2,068,750
Square D Co.	37,875	908,428	2,338,781
Standard Oil Co. (California)	28,362	748,223	1,825,804
Standard Oil Co. (New Jersey)	101,386	2,049,904	8,744,543
Texaco, Inc.	59,060	713,423	4,938,893
Texas Utilities Co.	20,000	379,515	1,250,000
Time Incorporated	51,600	1,455,780	2,915,400
Travelers Insurance Co.	28,800	1,207,340	1,306,800
Unilever N.V. (New York) (20 florin shs.)	65,000	2,041,206	2,665,000
Union Electric Co.	100,000	945,361	2,700,000
U. S. Plywood Corp.	45,960	682,513	1,809,675
Totals, Common Stocks		$98,645,403	$198,289,899

CARNEGIE CORPORATION OF NEW YORK

SCHEDULE B

Administrative Expenses

For the Year Ended September 30, 1964

Salaries	$385,344
Employee benefits	76,212
Rent	69,694
Annual and quarterly reports	46,929
Travel	41,929
Conferences and consultations	28,359
Telephone, telegraph, and postage	20,040
Pensions	17,868
Office equipment and maintenance	16,959
Office supplies and expense	12,781
Professional services	8,339
Duplicating services	8,217
Periodicals, publications, and subscriptions	4,196
Trustee expenses	2,644
Miscellaneous	5,611
	$745,122
Adjustment of old annuity contracts for employees	23,600
	$768,722

THE CARNEGIE PHILANTHROPIES

ANDREW CARNEGIE set out to give away $300 million. He gave away $311 million.

Gifts to hundreds of communities in the English-speaking world helped to make his idea of the free public library as the people's university a reality. In all, 2,509 libraries were built with Carnegie funds. His endowment of the Carnegie Institute in Pittsburgh brought important educational and cultural benefits to the community in which he had made his fortune. From experience he knew the importance of science applied to commerce and industry, and he provided for technical training through the Carnegie Institute of Technology. By establishing the Carnegie Institution of Washington he helped to stimulate the growth of knowledge through providing facilities for basic research in science.

He set up the Carnegie Trust for the Universities of Scotland to assist needy students and to promote research in science, medicine, and the humanities. For the betterment of social conditions in his native town of Dunfermline, Scotland, he set up the Carnegie Dunfermline Trust. To improve the well-being of the people of Great Britain and Ireland, he established the Carnegie United Kingdom Trust.

In the United States, he created The Carnegie Foundation for the Advancement of Teaching, primarily as a pension fund for college teachers, to lessen some of the economic hazards of this profession. To work for the abolition of war, he established the Carnegie Endowment for International Peace. And to recognize heroism in the peaceful walks of life as being as worthy as valor in battle, he created funds in the United States, the United Kingdom, and nine European countries to make awards for acts of heroism. In contributing to the construction of the Peace Palace at The Hague, the Pan American Union building in Washington, and the Central American Court of Justice in Costa Rica, he further expressed his belief in arbitration and conciliation as substitutes for war.

In 1911, having worked steadily at his task of giving away one of the world's great fortunes, he created Carnegie Corporation of New York, a separate foundation as large as all his other trusts combined, to carry on his spirit and system of giving. The terms of this trust are broad: to promote the advancement and diffusion of knowledge and understanding among the people of the United States and certain parts of the Commonwealth. The Corporation was the culmination of his program of giving.

Each of the Carnegie agencies has its own funds and trustees. Each is independently managed, with the exception of The Carnegie Foundation for the Advancement of Teaching, which shares Carnegie Corporation's offices and has the same officers.

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Annual report

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